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FIFTH AMENDMENT TO CREDIT AGREEMENT

dated as of September 21, 2020

among

SHELF DRILLING HOLDINGS, LTD.,  
as Borrower,

THE SUBSIDIARY GUARANTORS PARTY HERETO,  
as Guarantors,

THE LENDERS PARTY HERETO,

and

RBC EUROPE LIMITED,  
as Administrative Agent

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## **FIFTH AMENDMENT TO CREDIT AGREEMENT**

This FIFTH AMENDMENT TO CREDIT AGREEMENT (this “Amendment”), dated as of September 21, 2020, is entered into by and among SHELF DRILLING HOLDINGS, LTD., a Cayman Islands exempted company (“Borrower”), THE SUBSIDIARY GUARANTORS SIGNATORY HERETO, THE LENDERS SIGNATORY HERETO, and RBC EUROPE LIMITED, as administrative agent for the Lenders (in such capacity, the “Administrative Agent”).

### **RECITALS:**

WHEREAS, Borrower, the Subsidiary Guarantors, the Lenders from time to time party thereto, the Issuing Bank, the Guarantee Bank party thereto, the Administrative Agent, the Collateral Agent, and HSBC Bank plc and RBC Capital Markets, as Joint Lead Arrangers and Joint Bookrunners, entered into that certain Credit Agreement dated as of February 24, 2014 (as amended, restated, supplemented or modified from time to time (including by the Incremental Loan Amendment dated as of June 10, 2014, those certain Joinder Agreements dated as of July 21, 2014, February 26, 2015, July 31, 2015, June 19, 2018, July 9, 2018 and May 14, 2019, that certain Second Amendment dated as of January 9, 2017, that certain Third Amendment dated as of June 4, 2018, that certain financial covenant amendment letter dated as of February 13, 2019, and the consent in response to the Revised Consent Request Regarding Delivery of Certain Post-Closing Items dated December 19, 2019), the “Credit Agreement”), whereby the Lenders have extended to Borrower credit in the form of Revolving Loans, Letters of Credit and Bank Guarantees;

WHEREAS, Borrower has requested that the parties hereto agree to amend certain provisions of the Credit Agreement; and

WHEREAS, the parties hereto are willing, on the terms and subject to the conditions hereinafter set forth, to agree to amend the Credit Agreement as set forth herein;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

1.1 Defined Terms and Rules of Interpretation. Except as otherwise expressly provided herein, capitalized terms used herein without definition shall have the same meanings herein as set forth in the Credit Agreement after giving effect to this Amendment. For all purposes of this Amendment, except as otherwise expressly provided or unless the context otherwise requires, the rules of interpretation set forth in Sections 1.02 and 1.03 of the Credit Agreement are hereby incorporated by reference, *mutatis mutandis*, as if fully set forth herein.

#### 1.2 Amendments.

1.2.1 The Credit Agreement shall be amended ((a) to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and (b) to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Annex A hereto.

1.2.2 Exhibit B to the Credit Agreement shall be deleted in its entirety and replaced with Annex B attached hereto.

1.2.3 Exhibit D to the Credit Agreement shall be deleted in its entirety and replaced with Annex C attached hereto.

1.3 References to Credit Agreement. Each reference to the Credit Agreement in any Loan Document and any document or certificate executed in connection therewith shall be deemed to refer to the Credit Agreement as amended by this Amendment.

1.4 Representations and Warranties. Each Loan Party hereby represents and warrants, as of the Fifth Amendment Effective Date (as hereinafter defined), that (a) this Amendment has been duly authorized, executed and delivered by such Loan Party, (b) this Amendment is the legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, except as the enforceability hereof may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, (c) the representations and warranties set forth in the Credit Agreement and each other Loan Document are true and correct in all material respects as of the Fifth Amendment Effective Date (except for any such representation or warranty that relates solely to a specific date, in which case, such representation or warranty was true and correct in all material respects as of such date), (d) no Default has occurred and is continuing and (e) the entering into of this Amendment and the consummation of the transactions contemplated hereby (i) do not require any consent, exemption, authorization or approval of, registration or filing with, or any other action by, any Governmental Authority, except (x) such as have been obtained or made and are in full force and effect, and (y) consents, approvals, exemptions, authorizations, registrations, filings, permits or actions the failure of which to obtain or perform could not reasonably be expected to result in a Material Adverse Effect, (ii) do not require any approval of any Loan Party's or the Ultimate Parent's interest holders or any consent, exemption, authorization, approval or any other action by any person under any Material Agreement of any Company or the Ultimate Parent, except (x) such as have been obtained or made and are in full force and effect and (y) consents, approvals, exemptions, authorizations or actions the failure of which to obtain or perform could not reasonably be expected to result in a Material Adverse Effect, (iii) will not violate the Organizational Documents of any Company or the Ultimate Parent, (iv) will not violate or result in a default or require any consent or approval under any indenture (including the Unsecured Notes Indenture), instrument, agreement, or other document binding upon any Company or the Ultimate Parent or their respective property or to which any Company or the Ultimate Parent or their respective property is subject, or give rise to a right thereunder to require any payment to be made by any Company or the Ultimate Parent, except for violations, defaults or the creation of such rights that could not reasonably be expected to result in a Material Adverse Effect and (v) will not violate any Legal Requirement except for violations that could not reasonably be expected to result in a Material Adverse Effect.

1.5 Miscellaneous.

1.5.1 Instruction. Each Lender party hereto hereby (a) authorizes and directs the Administrative Agent to execute and deliver this Amendment; and (b) authorizes and directs the

Administrative Agent to execute and deliver, to the extent required, any other documents (including other Loan Documents or amendments thereto) which may be reasonably necessary to give effect to the transactions contemplated by this Amendment.

1.5.2 Effectiveness.

1.5.2.1 The amendments in Section 1.2 shall not be effective unless and until each of the following conditions precedent is satisfied (such date, the “Fifth Amendment Effective Date”):

- (i) counterparts of this Amendment shall have been executed by each Loan Party, the Administrative Agent and the Required Lenders and such executed counterparts shall have been delivered to the Administrative Agent; and
- (ii) all reasonable and documented out-of-pocket fees and expenses of the Administrative Agent invoiced to Borrower at least two (2) Business Days prior to the Fifth Amendment Effective Date shall have been paid (including the reasonable and documented fees and expenses of White & Case LLP and each other local and foreign counsel of the Administrative Agent that in each case are invoiced to Borrower at least two (2) Business Days prior to the Fifth Amendment Effective Date).

1.5.2.2 The Administrative Agent shall provide the Borrower and each Lender with written notice as to the occurrence of the Fifth Amendment Effective Date.

1.5.3 Governing Law. This Amendment and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York.

1.5.4 Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile, e-mail or other electronic form of an executed counterpart of a signature page to this Amendment shall be effective as delivery of an original executed counterpart of this Amendment.

1.5.5 Effect on the Loan Documents. Except as expressly set forth herein, the Credit Agreement is and shall remain unchanged and in full force and effect, and nothing contained in this Amendment shall, by implication or otherwise, limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the parties to the Credit Agreement, or shall alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document.

1.5.6 Reaffirmation of Guaranty and Security. Each Loan Party, by its signature below, hereby:

1.5.6.1 (a) acknowledges and agrees that, after giving effect to this Amendment, the Security Documents shall continue to be in full force and effect and (b) (i) reaffirms and confirms

all of its obligations and liabilities under the Credit Agreement and each other Loan Document, in each case after giving effect to this Amendment, including its guarantee of the Guaranteed Obligations and the pledge, mortgage and/or charge of, and/or grant of a security interest in, its assets as Collateral pursuant to the Security Documents to secure such Obligations, all as provided in the Security Documents, and (ii) acknowledges and agrees that such obligations, liabilities, guarantees, pledges, mortgages, charges and grants continue in full force and effect in respect of, and to secure, the Secured Obligations under the Credit Agreement and the other Loan Documents, in each case after giving effect to this Amendment; and

1.5.6.2 after giving effect to this Amendment, reaffirms each Lien granted by it to the Collateral Agent for the benefit of the Secured Parties under each of the Loan Documents to which it is a party, which shall (i) continue in full force and effect and (ii) continue to secure the Secured Obligations, in each case on and subject to the terms and conditions set forth in the Credit Agreement and the other Loan Documents.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto, by their officers duly authorized, have caused this Amendment to be duly executed and delivered as of the date first above written.

**EXECUTED AS A DEED on behalf of**

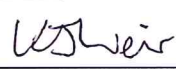
**SHELF DRILLING HOLDINGS, LTD.,**  
as Borrower

By:  \_\_\_\_\_

Name: David Mullen

Title: Chief Executive Officer

In the presence of:

 \_\_\_\_\_

**Witness**

EXECUTED AS A DEED on behalf of

ADRIATIC 1 LIMITED  
ADRIATIC 9 LIMITED  
ADRIATIC 10 LIMITED  
SHELF DRILLING RESOURCES LIMITED  
OFFSHORE HOLDINGS LIMITED  
SHELF DRILLING C.E. THORNTON, LTD.  
SHELF DRILLING F.G. MCCLINTOCK, LTD.  
SHELF DRILLING (GABON), LTD.  
SHELF DRILLING GALLOWAY LIMITED  
SHELF DRILLING INTERNATIONAL, INC.  
SHELF DRILLING J.T. ANGEL, LTD.  
SHELF DRILLING KEY HAWAII LIMITED  
SHELF DRILLING (ANGOLA) LIMITED  
SHELF DRILLING (MEDITERRANEAN)  
LIMITED  
SHELF DRILLING OFFSHORE HOLDINGS  
LIMITED  
SHELF DRILLING OFFSHORE RESOURCES  
LIMITED  
SHELF DRILLING OFFSHORE RESOURCES  
LIMITED II  
SHELF DRILLING (QATAR), LTD.  
SHELF DRILLING RON TAPPMAYER, LTD.  
SHELF DRILLING SERVICES LIMITED  
SHELF DRILLING TRIDENT IX LIMITED  
SHELF DRILLING TRIDENT XII, LTD.  
SHELF DRILLING TRIDENT XIV LIMITED  
SHELF DRILLING VENTURES LIMITED  
SHELF DRILLING (WEST AFRICA)  
LIMITED  
TRIDENT VIII LIMITED  
SHELF DRILLING (FAR EAST)  
OPERATIONS, LTD.,  
each as a Subsidiary Guarantor

By:   
Name: David Mullen  
Title: Chief Executive Officer

In the presence of:


  
\_\_\_\_\_  
Witness

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING RIGCO I, LTD.  
SHELF DRILLING RIGCO II, LTD.  
SHELF DRILLING ASSET I, LTD.  
SHELF DRILLING ASSET II, LTD.  
SHELF DRILLING ASSET III, LTD.,  
each as a Subsidiary Guarantor**

By:   
Name: David Mullen  
Title: Chief Executive Officer

In the presence of:

  
\_\_\_\_\_  
**Witness**

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING (EGYPT) LIMITED  
SHELF DRILLING EGYPT TECHNICAL  
LIMITED,  
each as a Subsidiary Guarantor**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXECUTED AS A DEED on behalf of**

**PT. HITEK NUSANTARA OFFSHORE  
DRILLING,  
as a Subsidiary Guarantor**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING RIGCO I, LTD.  
SHELF DRILLING RIGCO II, LTD.  
SHELF DRILLING ASSET I, LTD.  
SHELF DRILLING ASSET II, LTD.  
SHELF DRILLING ASSET III, LTD.,**  
each as a Subsidiary Guarantor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

In the presence of:

\_\_\_\_\_  
**Witness**

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING (EGYPT) LIMITED  
SHELF DRILLING EGYPT TECHNICAL  
LIMITED,**  
each as a Subsidiary Guarantor

By: \_\_\_\_\_ *A. Naser* \_\_\_\_\_  
Name: Abdel Naser Abdel Kehim El Maati El Shafi  
Title: Manager

**EXECUTED AS A DEED on behalf of**

**PT. HITEK NUSANTARA OFFSHORE  
DRILLING,**  
as a Subsidiary Guarantor

By: \_\_\_\_\_  
Name: Muhammad Fauzi Pudjolaksono  
Title: President Director

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING RIGCO I, LTD.  
SHELF DRILLING RIGCO II, LTD.  
SHELF DRILLING ASSET I, LTD.  
SHELF DRILLING ASSET II, LTD.  
SHELF DRILLING ASSET III, LTD.,**  
each as a Subsidiary Guarantor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

In the presence of:

\_\_\_\_\_  
**Witness**

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING (EGYPT) LIMITED  
SHELF DRILLING EGYPT TECHNICAL  
LIMITED,**  
each as a Subsidiary Guarantor

By: \_\_\_\_\_  
Name: Abdel Naser Abdel Rehim El Maati El Shafi  
Title: Manager

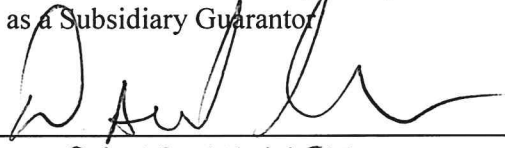
**EXECUTED AS A DEED on behalf of**

**PT. HITEK NUSANTARA OFFSHORE  
DRILLING,**  
as a Subsidiary Guarantor

By: \_\_\_\_\_  
Name: Muhammad Fauzi Pudjolaksono  
Title: President Director

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING TBN I, LTD.  
SHELF DRILLING TBN II, LTD.,**  
each as a Subsidiary Guarantor

By:   
Name: DAVID MULLEN  
Title: DIRECTOR

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING (CENTRAL EUROPE)  
KORLÁTOLT FELELŐSSÉGŰ TÁRSASÁG  
SHELF DRILLING ADRIATIC SERVICES  
KORLÁTOLT FELELŐSSÉGŰ TÁRSASÁG,**  
each as a Subsidiary Guarantor

By:   
Name: DZUL A. BAKAR  
Title: MANAGING DIRECTOR

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING (LABUAN) LIMITED,**  
as a Subsidiary Guarantor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING TBN I, LTD.  
SHELF DRILLING TBN II, LTD.,  
each as a Subsidiary Guarantor**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING (CENTRAL EUROPE)  
KORLÁTOLT FELELŐSSÉGŰ TÁRSASÁG  
SHELF DRILLING ADRIATIC SERVICES  
KORLÁTOLT FELELŐSSÉGŰ TÁRSASÁG,  
each as a Subsidiary Guarantor**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING (LABUAN) LIMITED,  
as a Subsidiary Guarantor**

By: \_\_\_\_\_  
Name: Muhammad Fauzi Pudjolaksono  
Title: Director

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING (NIGERIA) LIMITED,  
SHELF DRILLING OFFSHORE SERVICES  
LIMITED,**


each as a Subsidiary Guarantor

By:   
Name: IAN CLARK  
Title: DIRECTOR

**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING (SOUTHEAST ASIA)  
LIMITED,**

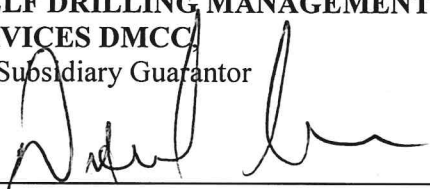
as a Subsidiary Guarantor

By:   
Name: DZUL A. BAKAR  
Title: DIRECTOR


**EXECUTED AS A DEED on behalf of**

**SHELF DRILLING MANAGEMENT  
SERVICES DMCC**


as a Subsidiary Guarantor

By:   
Name: DAVID HULLEN  
Title: DIRECTOR

**RBC EUROPE LIMITED,**  
as Administrative Agent


By:   
Name: Johnson Tse  
Title: Attorney-in-fact

**ROYAL BANK OF CANADA,**  
as Lender

  
JON HARRISON  
DIRECTOR

By: \_\_\_\_\_  
Name: Jon Harrison  
Title: Director

**HSBC BANK PLC,**  
as Lender

By:   
Name: Raymond Ho  
Title: Associate Director



**DNB BANK ASA,**  
as Lender

By: \_\_\_\_\_

Name:

Christian Sjøland

Title:

**DNB Bank ASA**

First Vice President

By: \_\_\_\_\_

Name:

ANDREAS ØSTERN

Title:

SENIOR VICE PRESIDENT

DNB BANK ASA

Annex A  
Fifth Amendment to Credit Agreement

Credit Agreement

[Attached]

~~AS AMENDED BY FINANCIAL COVENANT AMENDMENT LETTER~~

FIFTH AMENDMENT EXECUTION VERSION

## CREDIT AGREEMENT

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dated as of February 24, 2014,

among

**SHELF DRILLING HOLDINGS, LTD.,**  
as Borrower,

**THE GUARANTORS PARTY HERETO,**  
as Guarantors,

**THE LENDERS PARTY HERETO,**

**HSBC BANK PLC and RBC CAPITAL MARKETS<sup>1</sup>,**

as Joint Lead Arrangers and Joint Book Runners,

and

**RBC EUROPE LIMITED,**

as Administrative Agent, Collateral Agent, Issuing Bank and Guarantee Bank

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<sup>1</sup> RBC Capital Markets is the global brand name for the corporate and investment banking business of Royal Bank of Canada and its affiliates.

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Schedule 3.22	Certain Filing Requirements
Schedule 6.01(b)	Existing Indebtedness
Schedule 6.02(c)	Existing Liens
Schedule 6.06(b)	Existing Cold Stacked Rigs

## EXHIBITS

Exhibit A	Form of Assignment and Acceptance
Exhibit B	Form of Borrowing Request
Exhibit C-1	Form of Collateral Rig Mortgage (Liberia)
Exhibit C-2	Form of Collateral Rig Mortgage (Marshall Islands)
Exhibit C-3	Form of Collateral Rig Mortgage (Vanuatu)
Exhibit D	Form of Compliance Certificate
Exhibit E	[Reserved]
Exhibit F	Intercreditor Agreement
Exhibit G	Form of Interest Election Request
Exhibit H	Form of Joinder Agreement
Exhibit I	Form of LC Request
Exhibit J	Form of Management Fee Subordination Agreement
Exhibit K	Form of Solvency Certificate
Exhibit L	Form of Bank Guarantee Request
Exhibit M	Form of Security Agreement
Exhibit N	Form of Revolving Note
Exhibit O	Form of Supplement to Intercreditor Agreement
Exhibit P	Form of Ultimate Parent Guaranty



## CREDIT AGREEMENT

This CREDIT AGREEMENT (this “**Agreement**”), dated as of February 24, 2014, among Shelf Drilling Holdings, Ltd., a Cayman Islands company (“**Borrower**”), the Subsidiary Guarantors (such term and each other capitalized term used but not defined herein having the meaning given to it in Article I), the Lenders, HSBC Bank plc and RBC Capital Markets, as joint lead arrangers (each in such capacity, the “**Arrangers**”) and as joint book runners (each in such capacity, the “**Book Runners**”), and RBC Europe Limited, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”), and as collateral agent for the Secured Parties (in such capacity, the “**Collateral Agent**”).

### WITNESSETH:

WHEREAS, subject to the terms and conditions set forth herein, the Lenders are willing to make available to Borrower the respective credit facilities provided for herein.

WHEREAS, upon Borrower’s satisfaction and discharge of its obligations under the Existing Credit Agreement and the execution and delivery of Loan Documents, including the Supplement to Intercreditor Agreement, this Agreement will constitute the Credit Agreement and the debt facilities provided by this Agreement will constitute a Credit Facility, in each case, for purposes of the Intercreditor Agreement.

Accordingly, the parties hereto agree as follows:

### ARTICLE I DEFINITIONS

**Section 1.01 Defined Terms.** As used in this Agreement, the following terms shall have the meanings specified below:

“**ABR**,” when used in reference to any Revolving Loan or Borrowing, is used when such Revolving Loan comprising such Borrowing is, or the Revolving Loans comprising such Borrowing are, bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

“**ABR Borrowing**” shall mean a Borrowing comprised of ABR Revolving Loans.

“**ABR Revolving Loan**” shall mean any Revolving Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

“**Acceptable Bank**” shall mean any bank whose senior unsecured obligations are rated at least “A” by S&P and “A2” by Moody’s.

“**Acceptable Flag Jurisdiction**” shall mean such flag jurisdictions as are listed on Schedule 1.01(a) or otherwise approved by the Administrative Agent (such approval not to be unreasonably withheld).

“**Acquisition**” shall mean (i) the acquisition by Borrower of all of the outstanding Equity Interests of Transocean Offshore Drilling Holdings Limited and (ii) the acquisition by Borrower, through one or more Wholly Owned Restricted Subsidiaries, of certain rigs, barges and related machinery, equipment, spares, supplies and other assets, in each case from the Seller pursuant to the Purchase Agreements.

**“Acquisition Consideration”** shall mean the purchase consideration for a Permitted Acquisition and all other payments (but excluding related acquisition fees, costs and expenses), directly or indirectly, by Borrower or any Restricted Subsidiary in exchange for, or as part of, or in connection with, a Permitted Acquisition, whether paid in cash or by exchange of Equity Interests or of properties or otherwise and whether payable at or prior to the consummation of a Permitted Acquisition or deferred for payment at any future time, whether or not any such future payment is subject to the occurrence of any contingency, and (without duplication) includes any and all payments representing the purchase price and any assumptions or repayments of Indebtedness, “earn-outs” and other agreements to make any payment the amount of which is, or the terms of payment of which are, in any respect subject to or contingent upon the revenues, income, cash flow or profits (or the like) of any person or business; *provided* that any such future payment that is subject to a contingency shall, to the extent such contingency has not occurred, be considered Acquisition Consideration only to the extent of the reserve, if any, required under GAAP (as determined at the time of the consummation of such Permitted Acquisition) to be established in respect thereof by Borrower or any Restricted Subsidiary.

**“Additional Local Law Security Documents”** shall mean those agreements, documents and instruments as are listed on Schedule 1.01(b) and such additional agreements, documents and instruments as may be reasonably requested by the Administrative Agent or the Collateral Agent from time to time in accordance with the Loan Documents.

**“Additional Second Lien Debt”** shall mean any Indebtedness of Borrower (which Indebtedness is (A) secured by a Lien on the assets of Borrower and the Subsidiary Guarantors constituting Collateral ranking *pari passu* (or junior) to the Lien securing the Senior Secured Notes (or, to the extent that the Senior Secured Notes are no longer outstanding, secured by a Lien that would have ranked *pari passu* (or junior) to the Lien securing the Senior Secured Notes if any of the same were outstanding) and (B) guaranteed on a like basis by the Subsidiary Guarantors and, to the extent required by the holders thereof, on an unsecured basis by the Ultimate Parent or any other parent company of Borrower that guarantees the Obligations), so long as (i) such Indebtedness constitutes term loans or debt securities, (ii) such Indebtedness does not mature earlier than six months after the Revolving Maturity Date, (iii) such Indebtedness does not have any scheduled prepayment, amortization, redemption, sinking fund or similar obligations prior to the Revolving Maturity Date, (iv) such Indebtedness does not contain any financial maintenance covenants (whether stated as a covenant, default or otherwise) unless Borrower agrees to add similar financial maintenance covenants to this Agreement for the term of such Indebtedness that are more restrictive on Borrower (as reasonably agreed by the Administrative Agent) than the corresponding financial maintenance covenants applicable to such Indebtedness, (v) such Indebtedness otherwise contains terms and conditions (excluding economic terms such as interest rate and redemption premiums) which, taken as a whole, are not more restrictive on Borrower and its Restricted Subsidiaries in any material respect than (A) the terms and conditions of the Senior Secured Notes Documents, as in effect on the Closing Date or (B) the terms and conditions then prevailing in the market for Indebtedness similar to the Senior Secured Notes, in each case as reasonably determined in good faith by a Responsible Officer of Borrower and certified as such to the Administrative Agent in an Officer’s Certificate of Borrower, (vi) such Indebtedness is not secured by any asset other than Collateral and is not guaranteed by any person other than a Subsidiary Guarantor and the Ultimate Parent or any other parent company of Borrower that guarantees the Obligations, and (vii) such Indebtedness shall be subject to the terms and conditions of the Intercreditor Agreement.

**“Additional Second Lien Debt Documents”** shall mean any indenture, purchase agreement, note agreement, loan agreement or other agreement, document or instrument (including any note, guarantee and security document) issued or executed and delivered with respect to any Additional Second Lien Debt.

**“Additional Unsecured Debt”** shall mean unsecured Indebtedness of Borrower and unsecured guarantees thereof by any Subsidiary Guarantors, the Ultimate Parent or any other parent company of Borrower that guarantees the Obligations, so long as (i) any such Indebtedness does not mature earlier than six months after the Revolving Maturity Date, (ii) such Indebtedness does not have any scheduled prepayment, amortization, redemption, sinking fund or similar obligations prior to the Revolving Maturity Date, (iii) such Indebtedness does not contain any financial maintenance covenants (whether stated as a covenant, default or otherwise), unless Borrower agrees to add similar financial maintenance covenants to this Agreement for the term of such Indebtedness that are more restrictive on Borrower (as reasonably agreed by the Administrative Agent) than the corresponding financial maintenance covenants applicable to such Indebtedness, (iv) such Indebtedness otherwise contains terms and conditions (excluding economic terms such as interest rate and redemption premiums) which, taken as a whole, are not more restrictive on Borrower and its Restricted Subsidiaries in any material respect than (A) the terms and conditions of the Senior Secured Notes Documents as in effect on the Closing Date (as reasonably determined in good faith by a Responsible Office of Borrower and certified as such to the Administrative Agent in an Officer’s Certificate of Borrower or (B) the terms and conditions then prevailing in the market for Indebtedness similar to the Senior Secured Notes, in each case as reasonably determined in good faith by a Responsible Officer of Borrower and certified as such to the Administrative Agent in an Officer’s Certificate of Borrower, and (v) such Indebtedness is not guaranteed by any person other than a Subsidiary Guarantor, the Ultimate Parent or any other parent company of Borrower that guarantees the Obligations.

**“Additional Unsecured Debt Documents”** shall mean any indenture, purchase agreement, note agreement, loan agreement or other agreement, document or instrument (including any note or guarantee) issued or executed and delivered with respect to any Additional Unsecured Debt, including the Unsecured Notes Indenture.

**“Adjusted LIBOR Rate”** shall mean, with respect to any Eurodollar Borrowing for any Interest Period, (x) an interest rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) determined by the Administrative Agent to be equal to the LIBOR Rate for such Eurodollar Borrowing in effect for such Interest Period divided by (y) 1 *minus* the Statutory Reserves (if any) for such Eurodollar Borrowing for such Interest Period; *provided, however*, in no event shall the Adjusted LIBOR Rate be less than 0.

**“Administrative Agent”** shall have the meaning assigned to such term in the preamble hereto and shall include each other person appointed as the successor administrative agent pursuant to Article X.

**“Administrative Agent Fees”** shall have the meaning assigned to such term in Section 2.05(b).

**“Administrative Questionnaire”** shall mean an administrative questionnaire in the form supplied from time to time by the Administrative Agent.

**“Advisors”** shall mean legal counsel (including local and foreign counsel but excluding in-house counsel), auditors, accountants, consultants, appraisers, engineers or other advisors.

**“Affiliate”** shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified.

“**Agency Fee Letter**” shall mean, the confidential Fee Letter, dated February 14, 2014, between Borrower and the Administrative Agent.

“**Agents**” shall mean the Lead Arrangers, the Administrative Agent, the Collateral Agent and the Book Runners; and “**Agent**” shall mean any of them, as the context may require.

“**Agreement**” shall have the meaning assigned to such term in the preamble hereto.

“**Alternate Base Rate**” shall mean, for any day, a rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day *plus* 0.50% and (c) except during the Eurodollar Unavailability Period, the Adjusted LIBOR Rate for a Eurodollar Revolving Loan in effect on such day (or if such day is not a Business Day, the immediately preceding Business Day) with a one-month interest period commencing on the second Business Day after such day *plus* 1.00%; *provided, however*, in no event shall the Alternate Base Rate be less than 0. If the Administrative Agent shall have determined in its reasonable determination (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate or the Adjusted LIBOR Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms of the definition thereof, the Alternate Base Rate shall be determined without regard to clause (b) or (c) of the preceding sentence until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBOR Rate shall be effective on the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBOR Rate, respectively.

“**Annual Redemption Limit**” shall have the meaning assigned to such term in Section 6.08(b).

“**Anti-Corruption Laws**” shall mean all laws, rules and regulations of any jurisdiction applicable to a Loan Party or its Subsidiaries from time to time concerning or relating to bribery or corruption, including the Bribery Act 2010 (as amended), the United States Foreign Corrupt Practices Act of 1977 (as amended) or other similar legislation in other jurisdictions.

“**Anti-Terrorism Laws**” shall have the meaning assigned to such term in Section 3.20(a).

“**Applicable Margin**” shall mean, on any day, the respective percentage per annum set forth below under the appropriate column for the respective Type of Revolving Loan, and opposite the respective level (i.e., Level 1, Level 2, Level 3, Level 4 or Level 5, as the case may be) of the applicable Total Net Leverage Ratio for the most recently ended Test Period for which financial statements have been delivered to the Administrative Agent pursuant to Section 5.01(a) or (b), as applicable:

Level	Revolving Loans maintained as Eurodollar Revolving Loans	Revolving Loans maintained as ABR Revolving Loans
<u>Level 1</u> a Total Net Leverage Ratio no higher than 2.50:1.00	<u>4.00% until the Termination Date, and thereafter 3.00%</u>	<u>3.00% until the Termination Date, and thereafter 2.00%</u>

Level	Revolving Loans maintained as Eurodollar Revolving Loans	Revolving Loans maintained as ABR Revolving Loans
<u>Level 2</u> a Total Net Leverage Ratio higher than 2.50:1.00 but no higher than 3.00:1.00	<u>4.50% until the Termination Date, and thereafter 3.50%</u>	<u>3.50% until the Termination Date, and thereafter 2.50%</u>
<u>Level 3</u> a Total Net Leverage Ratio higher than 3.00:1.00 but no higher than 3.50:1.00	<u>5.00% until the Termination Date, and thereafter 4.00%</u>	<u>4.00% until the Termination Date, and thereafter 3.00%</u>
<u>Level 4</u> a Total Net Leverage Ratio higher than 3.50:1.00 but no higher than 4.00:1.00	<u>5.50% until the Termination Date, and thereafter 4.50%</u>	<u>4.50% until the Termination Date, and thereafter 3.50%</u>
<u>Level 5</u> a Total Net Leverage Ratio higher than 4.00:1.00	<u>6.00% until the Termination Date, and thereafter 5.00%</u>	<u>5.00% until the Termination Date, and thereafter 4.00%</u>

For purposes of determining the Applicable Margin, the Total Net Leverage Ratio that shall be used will be the higher of either the Total Net Leverage Ratio (Ultimate Parent) or the Total Net Leverage Ratio (Borrower). Notwithstanding the foregoing, for periods prior to the Third Amendment Effective Date, the Applicable Margin shall be determined in accordance with the provisions of this Agreement prior to giving effect to the Third Amendment (including the pricing grid in effect prior to the Third Amendment Effective Date). Notwithstanding the foregoing, for periods prior to the date of the Fifth Amendment, the Applicable Margin shall be determined in accordance with the provisions of this Agreement prior to giving effect to the Fifth Amendment (including the pricing grid in effect prior to the date of the Fifth Amendment).

Any increase or decrease in the Applicable Margin resulting from a change in the Total Net Leverage Ratio shall become effective as of the first Business Day immediately following the date financial statements are delivered pursuant to Section 5.01(a) or (b), as applicable; *provided, however*, that, “Level 5” shall apply without regard to any Total Net Leverage Ratio at any time after the date on which any annual or quarterly financial statements were required to have been delivered pursuant to Section 5.01(a) or Section 5.01(b), as applicable, but were not so delivered, commencing with the first Business Day immediately following such date and continuing until the first Business Day immediately following the date on which such financial statements were delivered. Notwithstanding anything to the contrary contained above in this definition or elsewhere in this Agreement, if it is subsequently determined that the Total Net Leverage Ratio for any period is inaccurate for any reason and the result thereof is that the Lenders received interest or fees for any period based on an Applicable Margin that is less than that which would have been applicable had the Total Net Leverage Ratio been accurately determined, then, for all purposes of this Agreement, the “Applicable Margin” for any day occurring within such period shall retroactively be deemed to be the relevant percentage as based upon the accurately determined Total Net Leverage Ratio for such period, and any shortfall in the interest or fees

therefore paid by Borrower for the relevant period pursuant to Sections 2.05 and 2.06(a) and (b) as a result of the miscalculation of the Total Net Leverage Ratio shall be deemed to be (and shall be) due and payable under the relevant provisions of Section 2.05 and 2.06(a) and (b), as applicable, at the time the interest or fees for such period were required to be paid pursuant to said Section on the same basis as if the Total Net Leverage Ratio had been accurately set forth (and shall remain due and payable until paid in full, together with all amounts owing under Section 2.06(d), in accordance with the terms of this Agreement).

**“Approved Brokers”** shall mean each of Pareto Offshore AS, Fearnleys AS, IHS Petrodata and Arctic Offshore International AS or such other reputable and independent consultancy or ship broker firm approved by the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed).

**“Approved Classification Society”** shall mean any classification society set forth on Schedule 1.01(c) or otherwise approved by the Administrative Agent (such approval not to be unreasonably withheld).

**“Approved Electronic Communications”** shall mean any notice, demand, communication, information, document or other material that any Loan Party or the Ultimate Parent provides to the Administrative Agent pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Agents or the Lenders by means of electronic communications pursuant to Section 11.01(b).

**“Approved Fund”** shall mean any person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or investing in bank and other commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

**“Arranger”** shall have the meaning assigned to such term in the preamble hereto.

**“Asset Purchase Agreement”** shall mean any Asset Purchase Agreement, dated as of September 9, 2012, between an Affiliate of the Seller and a Restricted Subsidiary, as such agreement is in effect on the Closing Date (as the same may be amended, supplemented or modified from time to time after the Closing Date in accordance with the terms of this Agreement).

**“Asset Sale”** shall mean any “Asset Disposition” (or any similar defined term) in any Senior Secured Notes Document, any Additional Second Lien Debt Document or any Additional Unsecured Debt Document.

**“Assignment and Acceptance”** shall mean an assignment and acceptance entered into by a Lender, as assignor, and an assignee (with the consent of any party whose consent is required pursuant to Section 11.04(b)), and accepted by the Administrative Agent, substantially in the form of Exhibit A, or such other form as shall be approved by the Administrative Agent from time to time.

**“Available Amount”** shall mean, on any date (the **“Determination Date”**), an amount equal to:

- (a) the Cumulative CNI Amount on the respective Determination Date; *plus*
- (b) an amount equal to the sum of (x) the net reduction in the Investments made pursuant to Section 6.04(p) after July 1, 2016 by Borrower or any Restricted Subsidiary in any



person resulting from repurchases, repayments or redemptions of such Investments by such person, proceeds realized on the sale of such Investment and proceeds representing the return of capital (excluding dividends and distributions), in each case received by Borrower or any Restricted Subsidiary, and (y) in the case of a designation of an Unrestricted Subsidiary as a Restricted Subsidiary (or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into Borrower or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to Borrower or a Restricted Subsidiary) after July 1, 2016, the portion (proportionate to Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary or such merger, amalgamation, consolidation or transfer occurs; *provided, however*, that the foregoing sum shall not exceed, in the case of any such person or Unrestricted Subsidiary, the amount of Investments previously made (and treated as an Investment) by Borrower or any Restricted Subsidiary in such person or Unrestricted Subsidiary pursuant to Section 6.04(p); *provided, further*, that to the extent Borrower or any of its Restricted Subsidiaries has made an Investment in an Unrestricted Subsidiary pursuant to Section 6.04(q) (as such Section was in effect prior to, and also after, the Third Amendment Effective Date), the amount described in clause (y) above shall not include the original amount of such Investment in such Unrestricted Subsidiary pursuant to such Section 6.04(q) *plus*

(c) 100% of any dividends or distributions (including the Fair Market Value of assets transferred) received by Borrower or a Restricted Subsidiary after July 1, 2016 from an Unrestricted Subsidiary, to the extent that such dividends or distributions were not otherwise included in the Consolidated Net Income of Borrower for such period; *plus*

(d) the amount by which Indebtedness of Borrower or any Restricted Subsidiary is reduced on Borrower's balance sheet upon the conversion or exchange after July 1, 2016 of any Indebtedness of Borrower or such Restricted Subsidiary convertible or exchangeable for Qualified Capital Stock of Borrower or any direct or indirect parent of Borrower (including any accrued interest or unpaid fees then outstanding in respect of such Indebtedness to the extent the obligation to pay such interest or fees is extinguished as a result of such exchange); provided that the aggregate amount pursuant to this clause (d) shall not exceed the original principal amount of the Indebtedness so converted or exchanged (plus any accrued interest or unpaid fees then outstanding in respect of such Indebtedness to the extent the obligation to pay such interest or fees is extinguished as a result thereof); *minus*

(e) the portion of such Cumulative CNI Amount used since July 1, 2016 and prior to the respective Determination Date to (A) make Investments pursuant to Section 6.04(p) (before the Second Amendment Effective Date to the extent such Investments were not made using the Available Amount (as defined prior to giving effect to the Second Amendment) accrued through June 30, 2016 as well as on or after the Second Amendment Effective Date), (B) to pay or make Dividends pursuant to Section 6.08(f) (before the Second Amendment Effective Date to the extent such Dividends were not made using the Available Amount (as defined prior to giving effect to the Second Amendment) accrued through June 30, 2016 as well as on or after the Second Amendment Effective Date) and (C) to repay, prepay, purchase, redeem, retire, defease or otherwise acquire Subordinated Indebtedness, Senior Secured Notes, Additional Second Lien Debt or Additional Unsecured Debt (in each case, including any Permitted Refinancing Indebtedness in respect thereof) pursuant to clause (ii) of Section 6.10(a) (before the Second Amendment Effective Date as well as on or after the Second Amendment Effective Date).

**“Bail-In Action”** shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

**“Bail-In Legislation”** shall mean, with respect to any EEA Member Country that has implemented or that at any time implements Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

**“Bank Guarantee”** shall mean (i) any bank guarantee, suretyship or suretyship on first demand, issued pursuant to this Agreement and (ii) any bank guarantee issued by DNB Bank ASA and outstanding under the SDAM Facility Agreement immediately prior to the Third Amendment Effective Date (which bank guarantee, in the case of this clause (ii), shall be deemed issued hereunder on the Third Amendment Effective Date).

**“Bank Guarantee Disbursement”** shall mean a payment or disbursement made pursuant to a Bank Guarantee.

**“Bank Guarantee Expiration Date”** shall mean the date which is five Business Days prior to the Revolving Maturity Date.

**“Bank Guarantee Exposure”** shall mean, as at any time, the sum of (a) the aggregate amount available to be drawn under all outstanding Bank Guarantees at such time *plus* (b) the aggregate amount of all Bank Guarantee Reimbursement Obligations outstanding at such time in respect of Bank Guarantee Disbursements.

**“Bank Guarantee Participation Fee”** shall have the meaning assigned to such term in Section 2.05(d).

**“Bank Guarantee Reimbursement Obligations”** shall mean Borrower’s obligations under Section 2.18(e) to reimburse Bank Guarantee Disbursements.

**“Bank Guarantee Request”** shall mean a request by Borrower in accordance with the terms of Section 2.18(b) and substantially in the form of Exhibit L, or such other form as shall be approved by the Guarantee Bank.

**“Bank Product”** shall mean any financial accommodation extended to Borrower or its Restricted Subsidiaries by a Bank Product Provider (other than pursuant to this Agreement or pursuant to Hedging Agreements) with respect to facilities or services related to cash management, including treasury, depository, overdraft, credit or debit card, purchase card, electronic funds transfer, cash pooling and other cash management arrangements and commercial credit card and merchant card services.

**“Bank Product Agreements”** shall mean those agreements entered into from time to time by Borrower or its Restricted Subsidiaries with a Bank Product Provider in connection with the obtaining of any of the Bank Products.

**“Bank Product Obligations”** shall mean obligations owing by Borrower or its Restricted Subsidiaries to any Bank Product Provider pursuant to or evidenced by a Bank Product Agreement.

**“Bank Product Provider”** shall have the meaning provided in the definition of “Secured Parties”.



**“Banks”** shall have the meaning assigned to such term in Section 11.20.

**“Bareboat Charter”** shall have the meaning assigned to such term in the Purchase Agreements.

**“Beneficial Ownership Certification”** shall mean a certification by Borrower regarding beneficial ownership required by the Beneficial Ownership Regulation delivered pursuant to Section 1.5.2.1(xvi) of the Third Amendment.

**“Beneficial Ownership Regulation”** shall mean 31 C.F.R. § 1010.230.

**“Board”** shall mean the Board of Governors of the Federal Reserve System of the United States.

**“Board of Directors”** shall mean, with respect to any person, (a) in the case of any corporation, the board of directors of such person, (b) in the case of any limited liability company, the board of managers or board of directors, as applicable, of such person, or if such limited liability company does not have a board of managers or board of directors, the board of managers or board of directors of the managing member of such limited liability company, (c) in the case of any partnership, the board of directors or board of managers, as applicable, of the general partner of such person and (d) in any other case, the functional equivalent of the foregoing.

**“Book Runner”** shall have the meaning assigned to such term in the preamble hereto.

**“Borrower”** shall have the meaning assigned to such term in the preamble hereto.

**“Borrowing”** shall mean Revolving Loans of the same Type made, converted or continued on the same date and, in the case of Eurodollar Revolving Loans, as to which a single Interest Period is in effect.

**“Borrowing Request”** shall mean a request by Borrower in accordance with the terms of Section 2.03 and substantially in the form of Exhibit B, or such other form as shall be approved by the Administrative Agent (which approval shall not be unreasonably withheld) from time to time.

**“Business Day”** shall mean any day other than a Saturday, Sunday or other day on which banks in London are authorized or required by law to close; *provided, however*, that (a) when used in connection with an ABR Revolving Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in Dollar deposits in the United States interbank market and (b) when used in Section 2.17(e) or Section 2.18(e), the term “Business Day” shall also exclude any day on which banks in Dubai are authorized or required by law to close.

**“Capital Expenditures”** shall mean, for any period, any expenditure or commitment to expend money made during such period for any purchase or other acquisition of any asset, including capitalized leasehold improvements, which would be classified as a fixed or capital asset on a consolidated balance sheet of Borrower and its Subsidiaries prepared in accordance with GAAP.

**“Capital Lease”** shall mean, with respect to any person, any lease of, or other arrangement conveying the right to use, any property by such person as lessee that has been or should be accounted for as a capital lease on a balance sheet of such person prepared in accordance with GAAP.

**“Capital Lease Obligations”** of any person shall mean the obligations of such person to pay rent or other amounts under any Capital Lease or any Synthetic Lease, or a combination thereof, which obligations are (or would be, if such Synthetic Lease were accounted for as a Capital Lease) required to be classified and accounted for as Capital Leases on a balance sheet of such person under GAAP (as in

effect on the date hereof), and the amount of such obligations shall be the capitalized amount thereof (or the amount that would be capitalized, if such Synthetic Lease were accounted for as a Capital Lease) determined in accordance with GAAP (as in effect on the date hereof).

**“Capital Requirements”** shall mean, as to any person, any matter, directly or indirectly, (a) regarding capital adequacy, capital ratios, capital requirements, the calculation of such person’s capital or similar matters (including liquidity requirements), or (b) affecting the amount of capital required to be obtained or maintained by such person or any person controlling such person (including any direct or indirect holding company), or the manner in which such person or any person controlling such person (including any direct or indirect holding company), allocates capital to any of its contingent liabilities (including letters of credit), advances, acceptances, commitments, assets or liabilities.

**“Cash Collateral”** shall mean, with respect to any Letter of Credit or Bank Guarantee, as of any date, (i) an amount in cash equal to 102% of the LC Exposure or Bank Guarantee Exposure, as the case may be, as of such date with respect to such Letter of Credit or Bank Guarantee that Borrower shall have deposited in a blocked account with the Collateral Agent for the benefit of the Issuing Bank or the Guarantee Bank, as the case may be, and the Lenders, plus any accrued and unpaid interest thereon, plus any accrued and unpaid fees thereon, plus any fees that will accrue through the termination of such Letter of Credit or Bank Guarantee (calculated in accordance with clause (z) of Section 2.05(c) or (d), as the case may be) or (ii) a back-up letter of credit or bank guarantee in an aggregate face amount of at least 102% of the LC Exposure or Bank Guarantee Exposure, as the case may be, at such time plus any accrued and unpaid interest thereon, plus any accrued and unpaid fees thereon, plus any fees that will accrue through the termination of such Letter of Credit or Bank Guarantee (calculated in accordance with clause (z) of Section 2.05(c) or (d), as the case may be) and otherwise in form and substance, and from an institution, reasonably acceptable to the Administrative Agent, the Issuing Bank and the Guarantee Bank. **“Cash Collateralize”** shall have the correlative meaning.

**“Cash Equivalents”** shall mean, as to any person, (a) marketable direct obligations issued, or directly, unconditionally and fully guaranteed or insured, by the United States or any agency or instrumentality thereof (*provided* that the full faith and credit of the United States is pledged in support thereof) or any country that is a member of the European Union or any agency or instrumentality thereof having maturities of not more than one year from the date of acquisition by such person, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any state or any public instrumentality thereof maturing not more than one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Moody’s, (c) time deposit accounts, certificates of deposit, money market deposits, Eurodollar time deposits, bankers’ acceptances of any Lender or any commercial bank having, or which is the principal banking subsidiary of a bank holding company having, capital, surplus and undivided profits aggregating in excess of \$250,000,000 and a rating of “A” (or such other similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Section 3(a) (62) of the Exchange Act) or a reasonably equivalent rating of another internationally recognized ratings agency with maturities of not more than one year from the date of acquisition by such person, (d) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) and (b) above entered into with any person meeting the qualifications specified in clause (c) above, (e) commercial paper issued by any person (other than an Affiliate of any Company) organized and in existence under the laws of the United States or any foreign country recognized by the United States rated at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody’s, and in each case maturing not more than one year after the date of acquisition by such person, (f) investments in money market funds at least 95% of whose assets are comprised of securities

of the types described in clauses (a) through (e) above, and (g) demand deposit accounts maintained in the ordinary course of business with any bank meeting the qualifications specified in clause (c) above.

**“Casualty Event”** shall mean any loss of title (other than through a consensual sale or other consensual disposition of such property in accordance with this Agreement) or any loss of or damage to or any destruction of, or any condemnation or other taking (including by any Governmental Authority) of, any property of any Company resulting in payment in respect of any property or casualty insurance claims; *provided* that no such event shall constitute a Casualty Event if the aggregate proceeds or other compensation in respect thereof is less than \$10,000,000. “Casualty Event” shall include any taking of all or any part of any Rig or Real Property of any person or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to any Legal Requirement, or by reason of the temporary requisition of the use or occupancy of all or any part of any Real Property or Rig of any person or any part thereof by any Governmental Authority, or any settlement in lieu thereof; *provided* that no such event shall constitute a Casualty Event if the aggregate proceeds or other compensation received in respect thereof is less than \$10,000,000.

**“Casualty Reinvestment Certificate”** shall have the meaning assigned to such term in Section 2.07(e).

**“Change in Control”** shall mean the occurrence of any of the following:

(a) the direct or indirect sale, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the properties and assets of Borrower and its Restricted Subsidiaries, taken as a whole, to any “person” or “group” (as each such term is used in Section 13(d) of the Exchange Act) other than to Borrower, any of its Restricted Subsidiaries or one or more Permitted Holders;

(b) the adoption by holders of the Equity Interests of Borrower of a plan for the liquidation or dissolution of Borrower (other than a transaction that complies with the provisions of Section 6.05);

(c) any “person” or “group” (each as defined in clause (a) above), other than one or more Permitted Holders, is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of Borrower; or

(d) the occurrence of a “change in control” or similar event under any Senior Secured Notes Documents, any Additional Second Lien Debt Documents, any Additional Unsecured Debt Documents or pursuant to the terms of any other Indebtedness having an aggregate principal amount equal to or greater than \$25,000,000.

Notwithstanding the foregoing, a transaction will not be deemed to involve a Change in Control under clause (c) above if (i) Borrower becomes a direct or indirect wholly-owned subsidiary of an ultimate parent holding company and (ii)(a) the direct or indirect holders of the Voting Stock of such ultimate parent holding company immediately following that transaction are substantially the same as the holders of Borrower’s Voting Stock immediately prior to that transaction or (b) immediately following that transaction, no “person” or “group” (each as defined in clause (a) above), other than one or more Permitted Holders, is the “beneficial owner” (as defined in Rule 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the ultimate parent holding company.

**“Change in Law”** shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, policy, or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive by any Governmental Authority; *provided* that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III and (z) the implementation of, or compliance with, CRR/CRD IV, or any law or regulation that implements or applies CRR/CRD IV, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

**“Charges”** shall have the meaning assigned to such term in Section 11.13.

**“Claims”** shall have the meaning assigned to such term in Section 11.03(b).

**“Closing Date”** shall mean the date on which the conditions in Section 4.01 have been satisfied (or otherwise waived in writing by the Lenders).

**“Code”** shall mean the Internal Revenue Code of 1986, as amended from time to time.

**“Collateral”** shall mean, collectively, all of the Security Agreement Collateral, the Collateral Rigs and all other property of whatever kind and nature, whether now existing or hereafter acquired, pledged or purported to be pledged as collateral or otherwise subject to a security interest or purported to be subject to a security interest under any Security Document.

**“Collateral Agent”** shall have the meaning assigned to such term in the preamble hereto.

**“Collateral Rig”** shall mean (i) on the Third Amendment Effective Date, each Rig listed on Schedule 3.21 (other than a Rig that is designated on such Schedule 3.21 as an Excluded Rig in accordance with the definition thereof) and (ii) at any time after the Third Amendment Effective Date, each other Rig owned by any Loan Party that is required to be subject to a Collateral Rig Mortgage pursuant to the terms of this Agreement and in which the Rig Collateral Requirements have been satisfied.

**“Collateral Rig Market Value”** shall mean, with respect to a Designated Collateral Rig, the fair market value of that Designated Collateral Rig, being the average of valuations of that Designated Collateral Rig from two of the Approved Brokers (elected by Borrower from the Approved Brokers), with or without physical inspection (as elected by Borrower) of that Designated Collateral Rig on the basis of a sale for prompt delivery for cash at arm’s length on normal commercial terms as between a willing buyer and a willing seller, on an as is, where is basis, free of any existing contract of employment and/or similar arrangement; *provided, however*, for the period from the Third Amendment Effective Date until the 91<sup>st</sup> day after the date that Borrower or the other applicable Loan Party is required to provide a Collateral Rig Mortgage on each of the Newbuild Rigs pursuant to Section 5.16(e) (as such Section is in effect on the Third Amendment Effective Date without giving effect to any extensions thereunder), the Collateral Rig Market Value shall include the value of the Newbuild Rigs based on valuations prepared by Approved Brokers as provided above in this definition whether or not a Collateral Rig Mortgage has been provided over any such Newbuild Rig.

**“Collateral Rig Mortgage”** shall mean a first preferred mortgage, substantially in the form of Exhibit C-1, C-2 or C-3 for each of Liberia, Marshall Islands and Vanuatu, respectively, or such other form (whether for one of those jurisdictions or another jurisdiction) as may be reasonably satisfactory to the Administrative Agent and Borrower, as such mortgage may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

**“Commitment Fee”** shall have the meaning assigned to such term in Section 2.05(a).

**“Communications”** shall have the meaning assigned to such term in Section 11.01(d).

**“Companies”** shall mean, collectively, (i) Borrower and its Restricted Subsidiaries, (ii) solely for purposes of Sections 3.08(b), 3.13, 3.17, 3.18, 3.20, 5.05, 5.09, 5.13, 5.20, 6.17, 6.18 and 8.01(j), each Unrestricted Subsidiary and (iii) solely for purposes of Sections 3.20, 5.20, 8.01(e), (f), (g), (h), (i), (l) and (n), the Ultimate Parent; and **“Company”** shall mean any one of the Companies individually.

**“Compliance Certificate”** shall mean a certificate of a Financial Officer of Borrower substantially in the form of Exhibit D.

**“Consolidated Coverage Ratio”** shall mean, with respect to any Test Period, the ratio of (x) the aggregate amount of Consolidated EBITDA for such Test Period to (y) Consolidated Interest Expense for such Test Period; provided, however, other than for purposes of determining actual compliance with the Consolidated Coverage Ratio pursuant to Section 6.20(b) for the respective Test Period (as opposed to determining pro forma compliance with such ratio, whether pursuant to the proviso of Section 6.20 or otherwise), that:

(i) if Borrower or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, or both, Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a Pro Forma Basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period;

(ii) if Borrower or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case, other than Indebtedness Incurred under this Agreement or another revolving credit facility unless such Indebtedness has been permanently repaid (and corresponding commitments have been permanently terminated) and has not been replaced) on the date of determination of the Consolidated Coverage Ratio, Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated on a Pro Forma Basis as if such repayment, repurchase, defeasance or other discharge had occurred on the first day of such period and as if Borrower or such Restricted Subsidiary had not been required to pay or accrue the Consolidated Interest Expense during such period in respect of the Indebtedness being repaid, repurchased, defeased or otherwise discharged;

(iii) if since the beginning of such period Borrower or any Restricted Subsidiary shall have made any Asset Sale, Consolidated EBITDA for such period shall be reduced by an amount equal to Consolidated EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Sale for such period, or increased by an amount equal to Consolidated EBITDA (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest

Expense directly attributable to any Indebtedness of Borrower or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to Borrower and its continuing Restricted Subsidiaries in connection with such Asset Sale for such period (or, if the Equity Interests of any Restricted Subsidiary are sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent Borrower and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);

(iv) if since the beginning of such period Borrower or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment or an acquisition of assets, which constitutes all or substantially all of an operating unit of a business, Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition had occurred on the first day of such period; and

(v) if since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into Borrower or any Restricted Subsidiary since the beginning of such period shall have made any Asset Sale, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (iii) or (iv) above if made by Borrower or a Restricted Subsidiary during such period, Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Sale, Investment or acquisition had occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the *pro forma* calculations shall be determined in good faith by a responsible financial or accounting officer of Borrower. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated based upon the actual rates in effect during such period (taking into account any interest rate Hedging Agreement applicable to such Indebtedness). If any Indebtedness is incurred under this Agreement or another revolving credit facility and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated based on the average daily balance of such Indebtedness for the four fiscal quarters subject to the *pro forma* calculation to the extent that such Indebtedness was incurred solely for working capital purposes. Furthermore, to the extent that there are differences in the *pro forma* adjustments pursuant to clauses (i) through (v) of this definition and the three immediately preceding sentences versus the definition of Pro Forma Basis, the adjustments set forth in this definition shall govern.

“**Consolidated EBITDA**” shall mean, for any period, the sum of Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(i) (a) all income, business personal property and franchise or similar taxes of Borrower and its consolidated Restricted Subsidiaries, paid or accrued (including any such taxes paid by a third party (other than any direct or indirect parent of Borrower) for or on behalf of Borrower or any of its consolidated Restricted Subsidiaries) and (b) an amount equal to the amount of tax distributions made to any direct or indirect parent of Borrower in respect of such period in accordance with Sections 6.08(c)(A) (in respect of franchise taxes) and 6.08(d);



- (ii) Consolidated Interest Expense;
- (iii) depreciation and amortization expense of Borrower and its consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid item that was paid in cash in a prior period);
- (iv) all other non-cash charges of Borrower and its consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period) less all non-cash items of income of Borrower and its consolidated Restricted Subsidiaries (other than accruals of revenue by Borrower and its consolidated Restricted Subsidiaries in the ordinary course of business);
- (v) the amount of management, monitoring, consulting and advisory fees and related expenses paid or accrued in such period to the Sponsors and their respective Affiliates pursuant to the terms of the Management Agreement to the extent deducted (and not added back) in such period in computing Consolidated Net Income;
- (vi) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and expensing of any financing fees;
- (vii) the amount of any restructuring charge, integration costs or other business optimization expenses or reserve; and
- (viii) any fair value gains or losses (expressed as a negative number in the case of gains and a positive number in the case of losses) recorded in the consolidated income statement of Borrower or its direct or indirect parent as a result of any earn-out liabilities recorded for any acquisition that is consummated after the Closing Date;

in each case for such period. Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion, including by reason of minority interests) that the net income or loss of such Restricted Subsidiary was included in calculating Consolidated Net Income. Notwithstanding the foregoing, for purposes of calculating the Secured Leverage Ratio ~~and~~, the Total Net Leverage Ratios, the Senior Secured Leverage Ratio and the Consolidated Coverage Ratio, for (A) Rigs newly acquired by Borrower or its Restricted Subsidiaries (including, as of the Third Amendment Effective Date, each of the Shelf Drilling Mentor, the Shelf Drilling Resourceful and the Shelf Drilling Tenacious) for which (and only for so long as) Consolidated EBITDA does not include 12 months of such Rig's historic operations under drilling contracts and (B) the Compact Driller (only for so long as Consolidated EBITDA does not include 12 months of such Rig's historic operations under drilling contracts), Borrower in its discretion may include in Consolidated EBITDA such Consolidated EBITDA as is projected in good faith by Borrower to be attributable to each such Rig (calculated based on the day rates in the drilling contract for such Rig) during the shorter of (x) the firm remaining term of such drilling contract that follows the period covered by the trailing Consolidated EBITDA and (y) the difference of 12 months minus the number of months for which such Rig's historic operations under drilling contracts is otherwise reflected in the trailing Consolidated EBITDA; *provided, however*, notwithstanding the foregoing, for purposes of calculating Consolidated EBITDA for any period, no more than 20% of such Consolidated EBITDA shall include such projected Consolidated EBITDA for all such Rigs under preceding clauses (A) and (B).

**“Consolidated Indebtedness”** shall mean, as at any date of determination, without duplication, the sum of (a) the aggregate amount of all Indebtedness of Borrower and its consolidated Restricted

Subsidiaries on such date as would be required to be reflected as debt or Capital Lease Obligations on the liability side of a consolidated balance sheet of Borrower and its consolidated Restricted Subsidiaries in accordance with GAAP, (b) the aggregate amount of all unpaid drawings and unreimbursed payments in respect of Indebtedness of Borrower and its consolidated Restricted Subsidiaries of the type described in clause (i) of the definition of Indebtedness to the extent that such amounts are not cash collateralized, and (c) all Contingent Obligations of Borrower and its consolidated Restricted Subsidiaries (other than Indebtedness described in Section 6.01(u)) in respect of Indebtedness of any third person of the type referred to in preceding clauses (a) and (b).

**“Consolidated Interest Expense”** shall mean, for any period, the total interest expense of Borrower and its consolidated Restricted Subsidiaries, as determined in accordance with GAAP, (a) *plus*, to the extent not included in such total interest expense, and to the extent incurred by Borrower or the Restricted Subsidiaries, without duplication:

- (i) interest expense attributable to Capital Lease Obligations;
  - (ii) amortization of original issue discount and bond premium;
  - (iii) net payments and receipts (if any) pursuant to interest rate Hedging Obligations (*provided, however*, that if interest rate Hedging Obligations result in net benefits rather than costs, such benefits shall be credited to reduce Consolidated Interest Expense);
  - (iv) non-cash interest expense (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments pursuant to GAAP); and
  - (v) all cash dividend payments in respect of all Disqualified Capital Stock of Borrower and its Restricted Subsidiaries, in each case, held by persons other than Borrower or a Wholly Owned Subsidiary (other than dividends payable solely in capital stock (other than Disqualified Capital Stock) of Borrower);
- (b) *minus*
- (i) interest income for such period; and
  - (ii) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and expensing of any financing fees.

**“Consolidated Net Income”** shall mean, for any period, the net income of Borrower and its consolidated Restricted Subsidiaries, as determined in accordance with GAAP; *provided, however*, that there shall not be included in such Consolidated Net Income:

(a) any net income of any person (other than Borrower) if such person is not a Restricted Subsidiary, except that Borrower’s equity in the net income of any such person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such person during such period to Borrower or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (b) below);

(b) any net income of any Restricted Subsidiary (other than a Subsidiary Guarantor) if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of



dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to Borrower, except that:

- (i) Borrower's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Restricted Subsidiary during such period to Borrower or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to another Restricted Subsidiary, to the limitation contained in this clause); and
- (ii) Borrower's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;
- (c) any gain (or loss) from discontinued operations and any gain (or loss) realized upon the sale or other disposition of any assets of Borrower, its consolidated Subsidiaries or any other person (including pursuant to any sale-and-leaseback arrangement) which are not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Equity Interests of any person;
- (d) any after tax effect of extraordinary, non-recurring or unusual gains or losses (including relating to severance, relocation, one-time compensation and restructuring charges);
- (e) the cumulative effect of a change in accounting principles;
- (f) any unrealized non-cash gains or losses or charges in respect of Hedging Obligations (including those resulting from the application of FASB ASC 815); *provided* that Consolidated Net Income shall include realized gains or losses in respect of Hedging Obligations;
- (g) any non-cash compensation charge arising from any grant of stock, stock options or other equity-based awards of Borrower, any of its Subsidiaries or any direct or indirect parent of Borrower;
- (h) any fees, expenses or charges (other than depreciation, depletion or amortization expense) related to any equity offering, Investment permitted hereunder (other than pursuant to Sections 6.04(o) and (p)), acquisition, disposition, recapitalization or the incurrence of Indebtedness, in each case permitted to be incurred by this Agreement (including a refinancing thereof) (whether or not successful), including such fees, expenses and charges relating to the Transactions (including one-time start-up costs);
- (i) any non-cash goodwill or intangible asset impairment charges pursuant to FASB ASC 350;
- (j) any increase or decrease in expenses resulting from the application of purchase accounting principles in connection with the Acquisition or any other acquisition that has been or is consummated after November 30, 2012, including any increase in expenses (including, but not limited to, depreciation, depletion or amortization expense) associated with any gain resulting from the impact of a bargain purchase in a business combination;
- (k) mobilization and activation costs in respect of any Rig that is, or in the good faith judgment of Borrower is reasonably expected to be, the subject of a drilling contract;

- (l) legal and other related costs associated with lobbying and similar activities;
- (m) an amount equal to the amount of tax distributions actually made to any direct or indirect parent of a person in respect of such period in accordance with Sections 6.08(c)(A) and 6.08(d) shall be included in the calculation of Consolidated Net Income as though such amounts had been paid as income taxes directly by such person for such period;
- (n) an amount equal to the amount of income, business, personal property and franchise or similar taxes paid by a third party (other than any direct or indirect parent of Borrower) for or on behalf of Borrower or any of its consolidated Restricted Subsidiaries shall be included in a calculation of Consolidated Net Income as though such amounts had been paid as taxes directly by Borrower or such consolidated Restricted Subsidiary to the extent such amounts did not already reduce Consolidated Net Income for the respective period; and
- (o) for purposes of Section 6.20 only, the amount of all Dividends paid by Borrower pursuant to Section 6.08(c) shall be included in a calculation of Consolidated Net Income as though such amounts had been paid as taxes, costs and expenses directly by Borrower to the extent such amounts did not already reduce Consolidated Net Income for the respective period.

Notwithstanding the foregoing, for the purposes of calculating the Available Amount only, there shall be excluded from Consolidated Net Income any repurchases, repayments or redemptions of Investments, proceeds realized on the sale of Investments or return of capital to Borrower or a Restricted Subsidiary to the extent such repurchases, repayments, redemptions, proceeds or returns increase the Available Amount pursuant to clause (b) of the definition thereof.

**“Consolidated Net Indebtedness”** shall mean, as of any date of determination, (a) Consolidated Indebtedness as of such date minus (b) the aggregate amount of Unrestricted cash and Cash Equivalents of Borrower and the Subsidiary Guarantors as of such date; *provided, however*, for purposes of determining pro forma compliance with the Total Net Leverage Ratios pursuant to Section 2.19, the aggregate amount of cash placed on Borrower’s consolidated balance sheet with the proceeds of the respective Incremental Facility shall be ignored; and, provided further, that for purposes of preceding clause (b) during the Fifth Amendment Period (other than for purposes of determining (i) actual compliance with Section 6.20 for the Test Periods ending September 30, 2020 and December 31, 2020 and (ii) whether the Termination Date has occurred pursuant to clause (b) of the definition thereof), the aggregate amount of Unrestricted cash and Cash Equivalents of Borrower and the Subsidiary Guarantors that may be deducted pursuant to such clause (b) shall not exceed \$35,000,000.

**“Consolidated Net Secured Indebtedness”** shall mean, as of any date of determination, the aggregate amount of Consolidated Net Indebtedness as of such date that is secured by a Lien of any asset of Borrower or any Restricted Subsidiary (other than a Lien that is junior to the Liens securing the Secured Obligations pursuant to the applicable Intercreditor Agreement or another intercreditor agreement or subordination agreement that is reasonably satisfactory to the Required Lenders).

**“Consolidated Total Assets”** shall mean, at any date of determination, the net book value of all assets of Borrower and its Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP, as shown on the consolidated balance sheet of Borrower for the most recently ended Test Period for which such consolidated balance sheet of Borrower has been delivered to the Administrative Agent pursuant to Section 5.01(a) or (b), as applicable.

**“Contingent Obligation”** shall mean, as to any person, any obligation, agreement, understanding or arrangement of such person guaranteeing or intended to guarantee any Indebtedness,

leases, dividends or other similar obligations (“**primary obligations**”) of any other person (the “**primary obligor**”) in any manner, whether directly or indirectly, including any obligation, agreement, understanding or arrangement of such person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth, net equity, liquidity, level of income, cash flow or solvency of the primary obligor for the purpose of assuring the primary obligor of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, (c) to purchase or lease property, securities or services primarily for the purpose of assuring the primary obligor of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, (d) with respect to bankers’ acceptances, letters of credit and similar credit arrangements, until a reimbursement or equivalent obligation arises (which reimbursement obligation shall constitute a primary obligation), or (e) otherwise to assure or hold harmless the primary obligor of any such primary obligation against loss (in whole or in part) in respect thereof; *provided, however*, that the term “Contingent Obligation” shall not include endorsements of instruments for deposit or collection in the ordinary course of business or any product warranties given in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the lesser of (A) the stated or determinable amount of the primary obligation, or portion thereof, in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such person may be liable, whether singly or jointly, pursuant to the terms of the instrument, agreements or other documents or, if applicable, unwritten agreement, evidencing such Contingent Obligation) and (B) the maximum reasonably anticipated liability in respect thereof (assuming such person is required to perform thereunder) as determined by such person in good faith.

“**Control**” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ability to exercise voting power, by contract or otherwise, and the terms “**Controlling**” and “**Controlled**” shall have meanings correlative thereto.

“**Corporate Family Rating**” shall mean, on any date, each of the ratings most recently publicly announced by Moody’s and S&P (or, to the extent that either Moody’s or S&P no longer maintains a corporate family rating or corporate credit rating, as applicable, of the Ultimate Parent or Borrower, Fitch or any other rating agency reasonably satisfactory to the Administrative Agent that is designated as a replacement rating agency by Borrower) as the corporate family rating, corporate credit rating or equivalent type of credit rating (as applicable) of the Ultimate Parent or, if the Ultimate Parent is not rated, of Borrower.

“**Credit Extension**” shall mean, as the context may require, (i) the making of a Revolving Loan by a Lender, (ii) the issuance of any Letter of Credit, or the extension of the expiry date or renewal, or any amendment or other modification to increase the amount, of any existing Letter of Credit, by the Issuing Bank or (iii) the issuance of any Bank Guarantee, or the extension of the expiry date or renewal, or any amendment or other modification to increase the amount, of any existing Bank Guarantee, by the Guarantee Bank.

“**CRR/CRD IV**” shall mean (a) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, and (b) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

**“Cumulative CNI Amount”** shall mean 50.0% of the aggregate amount of Consolidated Net Income (it being understood if Consolidated Net Income is less than zero, then minus 100% of the amount of such loss) accrued during the period (treated as one accounting period) from July 1, 2016 to the end of the most recent fiscal quarter of Borrower for which financial statements have been delivered pursuant to Section 5.01(a) or (b), as applicable.

**“Cure Amount”** shall have the meaning assigned to such term in Section 8.03(a).

**“Cure Notice”** shall have the meaning assigned to such term in Section 8.03(a).

**“Cure Right”** shall have the meaning assigned to such term in Section 8.03(a).

**“Cure Specified Date”** shall have the meaning assigned to such term in Section 8.03(a).

**“Default”** shall mean any event, occurrence or condition which is, or upon notice, lapse of time or both would constitute, an Event of Default.

**“Default Excess”** shall have the meaning assigned to such term in Section 2.16(c).

**“Default Period”** shall have the meaning assigned to such term in Section 2.16(c).

**“Default Rate”** shall have the meaning assigned to such term in Section 2.06(c).

**“Defaulted Loan”** shall have the meaning assigned to such term in Section 2.16(c).

**“Defaulting Lender”** shall mean any Lender that has (a) failed to fund its portion of any Borrowing, or any portion of its participation in any Letter of Credit or Bank Guarantee, within one Business Day of the date on which it shall have been required to fund the same, unless such Lender notifies the Administrative Agent and Borrower in writing that such failure is the result of a good faith dispute between Borrower and such Lender as to the satisfaction of any applicable conditions precedent hereunder, (b) notified Borrower, the Administrative Agent, the Issuing Bank, the Guarantee Bank or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under agreements in which it commits to extend credit generally, (c) failed, within three Business Days after written request by the Administrative Agent or Borrower, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Revolving Loans (unless Lender notifies the Administrative Agent and Borrower in writing that such failure is the result of a good faith dispute between Borrower and such Lender as to the satisfaction of any applicable conditions precedent hereunder) and participations in then outstanding Letters of Credit and Bank Guarantees; *provided* that any such Lender shall cease to be a Defaulting Lender under this clause (c) upon receipt of such confirmation by the Administrative Agent or Borrower, (d) otherwise failed to pay over to Borrower, the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due (unless such Lender notifies the Administrative Agent and Borrower in writing that such failure is the result of a good faith dispute between Borrower and such Lender as to the satisfaction of any applicable conditions precedent hereunder), (e) (i) been adjudicated as, or determined by any Governmental Authority having regulatory authority over such person or its properties or assets to be, insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar person charged with reorganization or liquidation of its business or assets, appointed for it (other than an undisclosed administrator), or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or

appointment, unless, in the case of any Lender referred to in this clause (e), Borrower, the Administrative Agent, the Issuing Bank and the Guarantee Bank shall be satisfied that such Lender intends, and has all approvals required to enable it, to continue to perform its obligations as a Lender hereunder, or (f) become the subject of a Bail-In Action. For the avoidance of doubt, a Lender shall not be deemed to be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in such Lender or its parent by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

**“Designated Collateral Rigs”** shall mean, so long as same are subject to a Collateral Rig Mortgage and have been subject to a Collateral Rig Mortgage for at least 91 days, each of the Newbuild Rigs, Shelf Drilling Resourceful (registered in Vanuatu under Official Number 2458), Shelf Drilling Mentor (registered in Vanuatu under Official Number 2457), Shelf Drilling Tenacious (registered in Vanuatu under Official Number 2459), Baltic (registered in Vanuatu under Official Number 1410), Adriatic I (registered in Vanuatu under Official Number 1414), Key Singapore (registered in Vanuatu under Official Number 1317), High Island V (registered in Vanuatu under Official Number 1418) and High Island IX (registered in Vanuatu under Official Number 1420); *provided*, that Borrower may, upon written notice to the Administrative Agent substitute for any of the foregoing Designated Collateral Rigs (other than the Newbuild Rigs) any other Rig, and/or add any new Rigs to the list of Designated Collateral Rigs, in each case, that any Loan Party acquires after the Third Amendment Effective Date and that was constructed no earlier than the year 2007 with substantially similar specification and substantially similar or greater value to any of the foregoing listed Rigs and which otherwise satisfies the requirements above in this definition.

**“Designated Company”** shall mean each Loan Party that directly owns a Designated Collateral Rig.

**“Determination Date”** shall have the meaning assigned to such term in the definition of “Available Amount”.

**“disposition”** shall mean, with respect to any property, any conveyance, sale, lease, sublease, assignment, transfer or other disposition of such property (including (i) by way of merger or consolidation, (ii) any Sale and Leaseback Transaction and (iii) any Synthetic Lease).

**“Disqualified Capital Stock”** shall mean any Equity Interest which, by its terms (or by the terms of any security or instrument into which it is convertible or for which it is exchangeable or exercisable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is six months after the Revolving Maturity Date, (b) is convertible into or exchangeable or exercisable (unless at the sole option of the issuer thereof) for (i) debt securities or other indebtedness or (ii) any Equity Interests referred to in clause (a) above, in each case at any time on or prior to the date that is six months after the Revolving Maturity Date, (c) contains any mandatory repurchase or payment obligation which may come into effect prior to the date that is six months after the Revolving Maturity Date, or (d) requires the payment of Dividends thereon to the extent not otherwise permitted by this Agreement.

**“Dividend”** shall mean, with respect to any person, that such person has declared or paid a dividend or returned any equity capital to the holders of its Equity Interests or authorized or made any



other distribution, payment or delivery of property (other than Qualified Capital Stock of such person) or cash to the holders of its Equity Interests as such on or in respect of such Equity Interests, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for consideration any of its Equity Interests outstanding (or any options or warrants issued by such person with respect to its Equity Interests), or set aside or otherwise reserved, directly or indirectly, any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for consideration any of the outstanding Equity Interests of such person (or any options or warrants issued by such person with respect to its Equity Interests).

**“Dollars”** or **“\$”** shall mean lawful money of the United States.

**“Drilling Contract Lien Restrictions”** shall mean any provisions in a drilling contract for a Rig that could reasonably be interpreted by Borrower in good faith as restricting or prohibiting the placing of a mortgage or other Lien for the benefit of the Collateral Agent or the holders of any Senior Secured Notes or Additional Second Lien Debt on such Rig subject to such drilling contract.

**“EEA Financial Institution”** shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

**“EEA Member Country”** shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

**“EEA Resolution Authority”** shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

**“Employee Benefit Plan”** shall mean any “employee benefit plan” as defined in Section 3(3) of ERISA which is or was maintained or contributed to by any Company or any of its ERISA Affiliates.

**“Employee Matters Agreement”** shall have the meaning assigned to such term in the Purchase Agreements.

**“Environment”** shall mean any surface or subsurface physical medium or natural resource, including air, land, soil, water (including sea waters, surface waters or ground waters), stream, river ocean, estuary and shoreline bottoms and sediments, biota and any indoor area, surface or physical medium.

**“Environmental Claim”** shall mean any claim, notice, demand, Order, action, suit, proceeding, or other communication alleging or asserting liability or obligations under Environmental Law, including liability or obligation for investigation, assessment, remediation, removal, cleanup, response, corrective action, monitoring, post-remedial or post-closure studies, investigations, operations and maintenance, injury, damage, destruction or loss to natural resources, personal injury, wrongful death, property damage, fines, penalties or other costs resulting from, related to or arising out of (i) the presence, Release or threatened Release of Hazardous Material in, on, into or from the Environment at any location or (ii) any violation of or non-compliance with Environmental Law, and shall include any claim, notice, demand, Order, action, suit or proceeding seeking damages (including the costs of remediation), contribution, indemnification, cost recovery, penalties, fines, indemnities, compensation or injunctive

relief resulting from, related to or arising out of the presence, Release or threatened Release of Hazardous Material or alleged injury or threat of injury to the Environment or to human health and safety from the presence of Hazardous Material.

**“Environmental Law”** shall mean any and all applicable Legal Requirements relating to the Environment, the Release or threatened Release of Hazardous Material, natural resources or natural resource damages, or the protection of human health and safety from the presence of Hazardous Material.

**“Environmental Liability”** shall mean any liability imposed or arising under Environmental Laws, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Company directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the production, generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials into the Environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

**“Environmental Permits”** shall have the meaning assigned to such term in Section 5.09(a).

**“Equity Interest”** shall mean, with respect to any person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such person, including, if such person is a partnership, partnership interests (whether general or limited), or if such person is a limited liability company, membership interests and any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether outstanding on the date hereof or issued on or after the Closing Date, but excluding debt securities convertible or exchangeable into such equity.

**“ERISA”** shall mean the Employee Retirement Income Security Act of 1974, as amended.

**“ERISA Affiliate”** shall mean, with respect to any person, any trade or business (whether or not incorporated) that, together with such person, is treated as a single employer under Section 414(b) or (c) of the Code, or solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

**“ERISA Event”** shall mean (i) a “reportable event” within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan, other than any reportable event in which notice to the PBGC is waived; (ii) the failure to meet the minimum funding standard of Section 412 of the Code with respect to any Pension Plan (whether or not waived in accordance with Section 412(c) of the Code) or the failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (iii) the filing of any request for or receipt of a minimum funding waiver under Section 412 of the Code with respect to any Pension Plan, or that such filing may be made; (iv) a determination that any Pension Plan is, or is expected to be, considered an at-risk plan within the meaning of Section 430 of the Code or Section 303 of ERISA; (v) any Company or any of its ERISA Affiliates incurring any liability under Section 436 of the Code, or a violation of Section 436 of the Code with respect to a Pension Plan; (vi) the termination of any Pension Plan pursuant to Section 4041 of ERISA; (vii) the withdrawal by any Company or any of its ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability pursuant to Section 4063 or 4064 of ERISA; (viii) the institution by the PBGC of proceedings to terminate any Pension Plan, or the appointment of a trustee to administer, any Pension Plan; (ix) the

imposition of liability on any Company or any of its ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (x) the withdrawal of any Company or any of its ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if reasonably expected to result in withdrawal liability to any Company or any of its ERISA Affiliates, or the receipt by any Company or any of its ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA if reasonably expected to result in liability to any Company or any of its ERISA Affiliates; (xi) receipt by any Company or any of its ERISA Affiliates of any notice, or the receipt by any Multiemployer Plan from any Company or any of its ERISA Affiliates of any notice, that a Multiemployer Plan is in endangered or critical status under Section 432 of the Code or Section 305 of ERISA; (xii) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan (or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Code) to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Pension Plan to qualify for exemption from taxation under Section 501(a) of the Code; (xiii) the imposition of a Lien pursuant to Section 430 of the Code or Section 303 or 4068 of ERISA with respect to any Pension Plan; or (xiv) the occurrence of a non-exempt prohibited transaction (within the meaning of Section 4975 of the Code or Section 406 of ERISA) which could reasonably be expected to result in liability to any Company or any of its ERISA Affiliates.

**“EU Bail-In Legislation Schedule”** shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

**“Eurodollar Borrowing”** shall mean a Borrowing comprised of Eurodollar Revolving Loans.

**“Eurodollar Revolving Loan”** shall mean any Revolving Loan bearing interest at a rate determined by reference to the Adjusted LIBOR Rate.

**“Eurodollar Unavailability Period”** shall mean any period of time during which a notice delivered to Borrower in accordance with Section 2.11 or Section 2.12(e) shall remain in effect.

**“Event of Default”** shall have the meaning assigned to such term in Section 8.01.

**“Exchange Act”** shall mean the Securities Exchange Act of 1934, as amended.

**“Excluded Assets”** shall mean:

(i) vehicles and other property covered by certificates of title or ownership to the extent that a security interest therein cannot be perfected solely by filing a UCC-1 (or similar) financing statement (it being understood and agreed that, in no event, shall any Rig be an Excluded Asset under this clause (i));

(ii) any property right of any nature if the grant of such security interest shall constitute or result in (A) the abandonment, invalidation or unenforceability of such property right or the loss of use of such property right or (B) a breach, termination or default under any lease, license, contract or agreement, other than to the extent that any such term would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including Insolvency Laws) or principles of equity, to which any Loan Party is party; *provided, however*, that such security interest shall attach immediately at such time as the condition causing such abandonment, invalidation or unenforceability shall be remedied and to the extent



severable, shall attach immediately to any portion of such lease, license, contract, property rights or agreement that does not result in any of the consequences specified in clause (A) or (B) above;

(iii) any property right of any nature to the extent that any applicable law or regulation prohibits the creation of a security interest thereon (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including Insolvency Laws) or principles of equity) or requires a consent not obtained of any Governmental Authority pursuant to applicable law;

(iv) any Real Property;

(v) (A) deposit and securities accounts the balance of which consists exclusively of (I) withheld income taxes and Federal, state or local employment taxes in such amounts as are required to be paid to the Internal Revenue Service or state or local government agencies within the following two months with respect to employees of any Loan Party, and (II) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 2510.3-102 on behalf of or for the benefit of employees of any Loan Party, (B) all segregated deposit accounts constituting (and the balance of which consists solely of funds set aside in connection with) tax accounts and trust accounts, (C) deposit and securities accounts the balance of which consists exclusively of cash and Cash Equivalents that secure outstanding Stand-Alone Credit Support, (D) deposit, securities and header accounts that comprise a notional cash pooling arrangement maintained with HSBC Bank plc or any Affiliate thereof in the ordinary course of business and on a basis consistent in all material respects with past practices so long as HSBC Bank plc or any Affiliate thereof maintains a right of set off against amounts on deposit in such accounts (including in respect of the Obligations), and (E) any escrow account solely holding proceeds of the Additional Unsecured Debt issued on the Third Amendment Effective Date to the extent required by the respective Additional Unsecured Debt Documents;

(vi) any applications for trademarks or service marks filed in the United States Patent and Trademark Office (the “PTO”) pursuant to 15 U.S.C. §1051(b) unless and until evidence of use of the mark in interstate commerce is submitted to the PTO pursuant to 15 U.S.C. §1051(c) or 15 U.S.C. §1051(d);

(vii) any fixed asset acquired by any Loan Party with the proceeds of Indebtedness permitted by Section 6.01 that is subject to a Permitted Lien that secures such Indebtedness only to the extent and for so long as the terms of the agreement in which such Permitted Lien is granted validly prohibits the creation of a security interest in such asset (other than to the extent that any such term would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or any other applicable law (including Insolvency Laws) or principles of equity); *provided* that no such Indebtedness shall be secured by any asset of a Company other than such fixed asset that was so acquired with such proceeds;

(viii) any Equity Interests of any joint venture or Subsidiary of Borrower that is not a Wholly Owned Subsidiary only to the extent and for so long as the terms of the Organizational Documents pursuant to which such joint venture or Subsidiary is organized validly prohibits the creation of a security interest in such Equity Interests (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or any other applicable law (including Insolvency Laws) or principles of equity) and any Equity Interests in any Unrestricted Subsidiary;

(ix) those properties identified in writing by Borrower to the Administrative Agent in which granting a security interest therein would result in material adverse tax consequences to any Loan Party as reasonably determined by Borrower;

(x) Letter of Credit Rights (except to the extent constituting a Supporting Obligation for other Collateral as to which the perfection of security interests in such other Collateral and the Supporting Obligation is accomplished solely by the filing of a UCC-1 (or equivalent financing statement) or Commercial Tort Claim, in each case with a value of less than \$1,000,000 (with each of Letter of Credit Rights, Supporting Obligation and Commercial Tort Claims to be as defined in the UCC as in effect on the Closing Date in the State of New York);

(xi) each Excluded Rig (other than proceeds thereof) but only so long as such Rig constitutes an Excluded Rig;

(xii) those properties (other than proceeds and receivables thereof) to the extent that a security interest therein is prohibited by applicable law, contracts existing on the Closing Date (or renewals thereof on more restrictive terms with respect to restrictions on Liens) and other contracts entered into after the Closing Date to the extent that the terms thereof prohibit the granting of a security interest therein in favor of the Collateral Agent and such contracts are permitted to contain such restrictions under Section 6.16, in each case to the extent, and only so long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or any other applicable law (including Insolvency Laws) or principles or equity; and

(xiii) assets as to which (A) the Administrative Agent shall determine in its reasonable judgment that the cost of granting and/or obtaining a security interest therein is materially excessive in relation to the value of the security to be obtained thereby (which determination shall be evidenced in writing by the Administrative Agent specifically describing the asset or assets to be so excluded and delivered to Borrower) and (B) the Administrative Agent, in its sole discretion, may agree in writing with Borrower to be an Excluded Asset, *provided* that no Rig or Equity Interests of a Subsidiary Guarantor that owns a Specified Rig may be designated as an Excluded Asset pursuant to this clause (B);

*provided*, that notwithstanding anything to the contrary contained above in this definition, (w) no asset described in clauses (i) through (xiii) above shall constitute an “Excluded Asset” if such asset is subject to a Permitted Lien in favor of the holders (or their respective representative, trustee or agent) of any Senior Secured Notes, the Additional Second Lien Debt or any Permitted Hedging Agreement, (x) no Rig (or any related material machinery and equipment required to operate a Rig) owned as of the Third Amendment Effective Date (other than an Excluded Rig, but only so long as it constitutes an Excluded Rig) shall constitute an “Excluded Asset”, (y) in no event shall any Newbuild Rig constitute an Excluded Asset under any clause of this definition, and (z) no Equity Interests of any Subsidiary of Borrower that owns any Rig (or any related material machinery and equipment required to operate a Rig) as of the Third Amendment Effective Date shall constitute an “Excluded Asset”.

**“Excluded Rig”** shall mean: (i) on the Third Amendment Effective Date, the Rigs Shelf Drilling Mentor (registered in Vanuatu under Official Number 2457), Shelf Drilling Tenacious (registered in Vanuatu under Official Number 2459), Randolph Yost (registered in Marshall Islands under Official Number 1744) and Baltic (registered in Vanuatu under Official Number 1410), together with any related machinery and equipment required to operate such Rigs, with respect to which the drilling contracts applicable to such Rig as of the Third Amendment Effective Date (as such drilling contract may be extended, replaced or renewed with the same counterparty) contains Drilling Contract Lien Restrictions;

(ii) each Rig (together with any related machinery and equipment required to operate such Rig) specified in an Officer's Certificate delivered from time to time after the Third Amendment Effective Date by Borrower to the Administrative Agent as being subject to (A) a drilling contract that contains Drilling Contract Lien Restrictions or (B) in the case of any Rig acquired after the Third Amendment Effective Date from a person other than Borrower or any Restricted Subsidiary, a bid or proposal by the seller, Borrower or any Restricted Subsidiary as of the date such Rig is so acquired for a drilling contract that Borrower determines in good faith may contain Drilling Contract Lien Restrictions; and (iii) each Stacked Rig; *provided* that (x) no more than (1) prior to the date of the Fifth Amendment or after the Termination Date, 11 Rigs in the aggregate and (2) during the Fifth Amendment Period, 8 Rigs in the aggregate, shall constitute Excluded Rigs at any one time and (y) no Rig may be designated as an Excluded Rig after the Third Amendment Effective Date unless Borrower is in compliance on a Pro Forma Basis with Section 6.22 after giving effect to such designation. Notwithstanding anything to the contrary in the foregoing sentence, (A) in no event shall any Newbuild Rig constitute an Excluded Rig at any time, (B) to the extent that any Excluded Rig ceases to be subject to any drilling contract containing Drilling Contract Lien Restrictions (or if an applicable bid or proposal in respect of an Excluded Rig referred to in clause (ii)(B) above is not accepted and such Excluded Rig is not otherwise subject or reasonably expected within the following 90 days following the date on which such Excluded Rig ceases to be subject to such Drilling Contract Lien Restrictions or the date on which such Rig is so acquired from such person, respectively, to be subject to any drilling contract containing Drilling Contract Lien Restrictions), (C) to the extent any Stacked Rig ceases to be cold stacked and resumes normal operations and does not constitute an Excluded Rig under clause (ii) of the immediately preceding sentence and (D) to the extent any Rig that would otherwise constitute an Excluded Rig under the immediately preceding sentence constitutes part of the collateral securing any Senior Secured Notes or Additional Second Lien Debt (or, in either case, any related guaranties), in each case, such Excluded Rig shall automatically cease to be an Excluded Rig and shall be subject to the requirements of Section 5.10.

**"Excluded Subsidiary"** shall mean (a) any Immaterial Subsidiary, (b) each Unrestricted Subsidiary, (c) any Restricted Subsidiary organized or acquired after the Closing Date that is prohibited by the laws or rules (including licensing requirements) of its jurisdiction of organization or in connection with a drilling contract between a government or state-owned company and such Restricted Subsidiary, from being a guarantor of the Obligations and (d) Shelf Drilling Offshore Services (India) Private Limited and any other Subsidiary to the extent it is organized in India; *provided, however*, that (x) any Restricted Subsidiary that owns any Specified Rig or the related material machinery and equipment required to operate any such Rig shall not constitute an Excluded Subsidiary, and (y) any Immaterial Subsidiary, Unrestricted Subsidiary or Restricted Subsidiary that is or becomes a guarantor of (or obligor under) any Senior Secured Notes, any Additional Second Lien Debt or any Additional Unsecured Debt shall not constitute an Excluded Subsidiary.

**"Excluded Taxes"** shall mean, with respect to the Administrative Agent, any Lender, the Issuing Bank, the Guarantee Bank or any other recipient of any payment to be made by or on account of any obligation of Borrower hereunder (each a **"Recipient"**), (a) Taxes imposed on (or measured by) net income (however denominated) or any franchise Taxes, in each case (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) any branch profits Taxes imposed by the United States or any similar Tax imposed by any other jurisdiction described in clause (a) above, (c) in the case of a Foreign Lender, any withholding Tax that is imposed on amounts payable to such Foreign Lender with respect to an applicable interest in a Revolving Loan or Revolving Commitment pursuant to a law in effect on the date on which (i) such Foreign Lender becomes a party to this Agreement (other than pursuant to an assignment request by Borrower under Section 2.16) or (ii) such Foreign Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.15, amounts with respect to

such Taxes were payable either to such Foreign Lender's assignor immediately before such Foreign Lender became a party hereto or to such Foreign Lender immediately before it changes its lending office, (d) Taxes attributable to such Recipient's failure to comply with Section 2.15(f), and (e) any U.S. federal withholding Taxes imposed under FATCA.

**"Executive Order"** shall have the meaning assigned to such term in Section 3.20(a).

**"Existing Credit Agreement"** shall mean that certain Credit Agreement, dated as of November 30, 2012, by and among Parent, Borrower, the financial institutions party thereto, and Jefferies Finance LLC, as administrative agent and collateral agent, as amended, restated, supplemented or otherwise modified prior to the Closing Date.

**"Existing Dubai Subsidiary"** shall mean Shelf Drilling Management Services DMCC, a Dubai Multi-Commodities Centre company.

**"Existing Egyptian Subsidiaries"** shall mean each of GlobalSantaFe Services (Egypt) LLC and Shelf Drilling Egypt Technical Limited.

**"Existing Hungarian Subsidiaries"** shall mean Shelf Drilling Adriatic Services Korlátolt Felelősségű Társaság and Shelf Drilling (Central Europe) Korlátolt Felelősségű Társaság.

**"Existing Indonesian Subsidiary"** shall mean PT. Hitek Nusantara Offshore Drilling.

**"Existing Nigerian Subsidiaries"** shall mean Shelf Drilling (Nigeria) Limited and Shelf Drilling Offshore Services Limited.

**"Fair Market Value"** shall mean, with respect to any asset (including any Equity Interests of any person), the price which could be negotiated in an arm's length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction determined in good faith by a Financial Officer of Borrower or the Restricted Subsidiary of Borrower selling such asset with respect to valuations not in excess of \$20,000,000 or determined in good faith by the Board of Directors or the chief executive officer or the chief financial officer of Borrower or the Restricted Subsidiary of Borrower selling such asset with respect to valuations equal to or in excess of \$20,000,000, as applicable.

**"FATCA"** shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

**"Federal Funds Effective Rate"** shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published on the next succeeding Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

**“Fee Letters”** shall mean, collectively, (i) the confidential Fee Letter, dated February 14, 2014, among Borrower, HSBC Bank plc and Royal Bank of Canada and (ii) the Agency Fee Letter.

**“Fees”** shall mean the Commitment Fees, the Administrative Agent Fees, the LC Participation Fees, the Bank Guarantee Participation Fees, and the other fees referred to in Section 2.05(e).

**“Fifth Amendment”** shall mean the Fifth Amendment to Credit Agreement, dated as of September 21, 2020, by and among Borrower, the Lenders party thereto and the Administrative Agent.

**“Fifth Amendment Period”** shall mean the period on and after the date of the Fifth Amendment through and including the Termination Date.

**“Financial Bank Guarantees”** shall mean Bank Guarantees issued to support obligations of Borrower or any of its Restricted Subsidiaries in respect of Indebtedness that is included in Consolidated Indebtedness (but excluding, for the avoidance of doubt, Bank Guarantees in the nature of performance bonds, bid bonds or customs bonds).

**“Financial Letters of Credit”** shall mean Letters of Credit issued to support obligations of Borrower or any of its Restricted Subsidiaries in respect of Indebtedness that is included in Consolidated Indebtedness (but excluding, for the avoidance of doubt, any Letter of Credit in the nature of performance bonds, bid bonds or customs bonds).

**“Financial Officer”** of any person shall mean the chief financial officer, principal accounting officer or treasurer of such person.

**“Fitch”** shall mean Fitch Ratings, Inc., or any successor corporation thereto.

**“Foreign Lender”** shall mean any Lender that is resident or organized under the laws of a jurisdiction other than that in which Borrower is resident for tax purposes.

**“Foreign Plan”** shall mean any employee benefit plan, fund (including, without limitation, any superannuation fund), program, policy, arrangement or agreement maintained or contributed to outside the United States by any Company primarily for the benefit of such Company’s employees, officers or directors residing outside the United States, and which plan is not subject to ERISA or the Code.

**“Funding Default”** shall have the meaning assigned to such term in Section 2.16(c).

**“GAAP”** shall mean generally accepted accounting principles in the United States applied on a consistent basis, subject to Section 1.03.

**“Governmental Authority”** shall mean any federal, state, local or foreign (whether civil, criminal, military or otherwise) court, central bank or governmental agency, tribunal, authority, instrumentality or regulatory body or any subdivision thereof or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

**“Granting Lender”** shall have the meaning assigned to such term in Section 11.04(h).

**“Guarantee Bank”** shall mean, as the context may require, (a) RBC Europe Limited, (b) DNB Bank ASA with respect to Bank Guarantees outstanding under the SDIII Facility Agreement immediately prior to the Third Amendment Effective Date, (c) any other person that may become a Guarantee Bank pursuant to Sections 2.18(i) and (j) with respect to Bank Guarantees issued by such



other person, and/or (d) collectively, all of the foregoing. The Guarantee Bank may, subject to the consent of Borrower, not to be unreasonably withheld or delayed, arrange for one or more Bank Guarantees to be issued by one or more of its Affiliates (and such Affiliate shall be deemed to be a “Guarantee Bank” for all purposes of the Loan Documents). In the event that there is more than one Guarantee Bank at any time, references herein and in the other Loan Documents to the Guarantee Bank shall be deemed to refer to the Guarantee Bank in respect of the applicable Bank Guarantee or to all Guarantee Banks, as the context requires. Each Guarantee Bank (or one of its Affiliates), with Borrower’s prior written consent (which consent shall not be unreasonably withheld or delayed), may cause Bank Guarantees to be issued by unaffiliated financial institutions, and such Bank Guarantees shall be treated as issued by such Guarantee Bank (or one of its Affiliates) for all purposes under the Loan Documents (it being understood and agreed that, in any event, Borrower hereby consents to HSBC Bank plc and its Affiliates as being such an unaffiliated financial institution of any Guarantee Bank hereunder).

“**Guaranteed Obligations**” shall have the meaning assigned to such term in Section 7.01.

“**Guarantees**” shall mean the guarantees issued pursuant to Article VII by the Guarantors.

“**Guarantors**” shall mean the Subsidiary Guarantors.

“**Hazardous Materials**” shall mean hazardous substances, hazardous wastes, hazardous materials, polychlorinated biphenyls (“**PCBs**”) or any substance or compound containing PCBs, asbestos or any asbestos-containing materials in any form or condition, lead-based paint, urea formaldehyde, pesticides, radon or any other radioactive materials including any source, special nuclear or by-product material, oil, petroleum, petroleum products, petroleum-derived substances, crude oil or any fraction thereof, any mold, microbial or fungal contamination that could pose a risk to human health or the Environment or would negatively impact the condition of the Real Property or a Rig or any other pollutants, contaminants, chemicals, wastes, materials, compounds, constituents or substances, that are listed, defined, designated, regulated or classified as hazardous, toxic, radioactive, dangerous, pollutants or contaminants under any Environmental Laws.

“**Hedging Agreement**” shall mean (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, currency swap transactions, cross-currency rate swap transactions, currency options, cap transactions, floor transactions, collar transactions, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options or warrants to enter into any of the foregoing), whether or not any such transaction is governed by, or otherwise subject to, any master agreement or any netting agreement, and (b) any and all transactions or arrangements of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement (or similar documentation) published from time to time by the International Swaps and Derivatives Association, Inc., or any International Foreign Exchange Master Agreement (any such agreement or documentation, together with any related schedules, a “**Master Agreement**”), including any such obligations or liabilities under any Master Agreement.

“**Hedging Obligations**” shall mean obligations under or with respect to Hedging Agreements.

“**Hedging Termination Value**” shall mean, in respect of any one or more Hedging Agreements, after taking into account the effect of any netting agreements relating to such Hedging Agreements (to the extent, and only to the extent, such netting agreements are legally enforceable in Insolvency Proceedings against the applicable counterparty obligor thereunder), (i) for any date on or after the date

such Hedging Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (ii) for any date prior to the date referenced in preceding clause (i), the amount(s) determined as the mark-to-market value(s) for such Hedging Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Agreements (which may include a Lender or any Affiliate of a Lender).

**“ICC Arbitration”** shall have the meaning assigned to such term in Section 11.09(e).

**“ICC Rules”** shall have the meaning assigned to such term in Section 11.09(e).

**“IFRS”** shall mean international accounting standards within the meaning of the IAS Regulation 1606/2002 as in effect from time to time, to the extent applicable to the relevant financial statements and subject to Section 1.03.

**“Immaterial Subsidiary”** shall mean, as of any date of determination, any Restricted Subsidiary of Borrower (a) whose total assets as of the last day of the most recently ended Test Period for which internal consolidated financial statements of Borrower are available did not exceed the greater of \$15,000,000 and 1.5% of Consolidated Total Assets as of such date or (b) whose gross revenues for such Test Period did not exceed the greater of \$15,000,000 and 1.5% of the consolidated gross revenues of Borrower and its Restricted Subsidiaries for such period; *provided, however*, (x) a Wholly Owned Restricted Subsidiary of Borrower that no longer meets the foregoing requirements of this definition or is otherwise required to become a Loan Party pursuant to Section 5.10 shall no longer constitute an Immaterial Subsidiary for purposes of this Agreement and (y) notwithstanding the foregoing, Borrower may elect to cause an Immaterial Subsidiary to become a Loan Party pursuant to Section 4.01 or 5.10, as the case may be, in which case such Immaterial Subsidiary shall, upon satisfaction of the provisions of either such Section, no longer constitute an Immaterial Subsidiary. Notwithstanding the foregoing, (i) the total assets of all Immaterial Subsidiaries shall not exceed the greater of \$30,000,000 and 3.0% of the Consolidated Total Assets, (ii) the gross revenues of all Immaterial Subsidiaries shall not exceed the greater of \$30,000,000 and 3.0% of the consolidated gross revenues of Borrower and its Restricted Subsidiaries and (iii) any Restricted Subsidiary that either (x) owns a Rig or the related material machinery and equipment required to operate a Rig or (y) guarantees Indebtedness incurred under this Agreement and the other Loan Documents or Indebtedness under any Senior Secured Notes, any Additional Second Lien Debt or any Additional Unsecured Debt shall not be deemed an Immaterial Subsidiary.

**“IMO MODU Code”** shall mean the standards set by the International Maritime Organization for the construction and equipment of mobile offshore drilling units

**“Incremental Lenders”** shall have the meaning assigned to such term in Section 2.19(b).

**“Incremental Loan Amendment”** shall have the meaning assigned to such term in Section 2.19(d).

**“Incremental Revolving Commitment”** shall mean, for any Lender, any commitment by such Lender to make Revolving Loans pursuant to Section 2.01 and as agreed to by such Lender in the respective Incremental Loan Amendment delivered pursuant to Section 2.19(d); it being understood that on the date upon which an Incremental Revolving Commitment of any Lender becomes effective, such Incremental Revolving Commitment of such Lender shall be added to (and thereafter become a part of)

the Revolving Commitment of such Lender for all purposes of this Agreement as contemplated by Section 2.19.

“Incur” shall mean, for the purposes of the definition of Consolidated Coverage Ratio, issue, assume, guarantee, incur or otherwise become liable for; *provided, however*, that any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Restricted Subsidiary. The term “Incurrence” when used as a noun shall have a correlative meaning.

(1) Amortization of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;

(2) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Equity Interests in the form of additional Equity Interests of the same class and with the same terms;

(3) the obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of a notice of redemption or the making of a mandatory offer to purchase such Indebtedness; and

(4) unrealized losses or changes in respect of Hedging Obligations (including those resulting from FASB ASC 815),

in each case, will not be deemed to be the Incurrence of Indebtedness.

“Indebtedness” of any person shall mean, without duplication, (a) all obligations of such person for borrowed money or similar advances; (b) all obligations of such person evidenced by bonds, debentures, notes, loan agreements or similar instruments; (c) all obligations of such person under conditional sale or other title retention agreements relating to property purchased by such person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (d) all obligations of such person issued or assumed as part of the deferred purchase price of property or services (excluding (i) trade accounts payable and accrued obligations incurred in the ordinary course of business and (ii) working capital adjustment requirements arising in connection with any Permitted Acquisition); (e) all Indebtedness (including indebtedness arising under conditional sales or other title retention agreements) secured by any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed, but limited to the lower of (i) the Fair Market Value of such property and (ii) the amount of the Indebtedness secured; (f) all Capital Lease Obligations, Purchase Money Obligations and Synthetic Lease Obligations of such person; (g) all obligations of such person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Equity Interests of such person, valued, in the case of a redeemable preferred Equity Interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; (h) all Hedging Obligations, valued at the Hedging Termination Value thereof; (i) all obligations of such person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bank guarantees, bankers’ acceptances and similar credit transactions; and (j) all Contingent Obligations of such person in respect of Indebtedness of others of the kinds referred to in clauses (a) through (i) above. The Indebtedness of any person shall include the Indebtedness of any other entity (including any partnership in which such person is a general partner) to the extent such person is liable therefor as a result of such person’s ownership interest in or other



relationship with such entity, except (other than in the case of general partner liability) to the extent that terms of such Indebtedness expressly provide that such person is not liable therefor.

**“Indemnified Taxes”** shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any Loan Party under any Loan Document and (b) to the extent not otherwise described in preceding clause (a), Other Taxes.

**“Indemnitee”** shall have the meaning assigned to such term in Section 11.03(b).

**“Information”** shall have the meaning assigned to such term in Section 11.12.

**“Insolvency Laws”** shall mean the Bankruptcy Code of the United States, and all other insolvency, bankruptcy, receivership, liquidation, conservatorship, assignment for the benefit of creditors, moratorium, rearrangement, reorganization, or similar Legal Requirements of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

**“Insolvency Proceeding”** shall mean (i) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (ii) any general assignment for the benefit of creditors, formal or informal moratorium, composition, marshaling of assets for creditors or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors, in each case, undertaken under United States federal or state or non-United States Legal Requirements, including the Bankruptcy Code of the United States.

**“Insurance Policies”** shall mean the insurance policies and coverages required to be maintained by each Company pursuant to Section 5.04 and all renewals and extensions thereof, including, without limitation, the Required Insurance.

**“Intellectual Property”** shall have the meaning assigned to such term in Section 3.06.

**“Intercompany Note”** shall mean that certain Intercompany Note, dated as of November 30, 2012, by each of the Loan Parties and, to the extent a party thereto, any Restricted Subsidiary that is not a Subsidiary Guarantor, in each case, in favor of any Loan Party.

**“Intercreditor Agreement”** shall mean ~~that certain~~ the Second Lien Intercreditor Agreement, dated as of November 30, 2012, by and among Borrower, the Subsidiary Guarantors, the Collateral Agent and the Senior Secured Notes Agent, as in effect on the date hereof as attached hereto as Exhibit F and thereafter as amended, restated, modified or supplemented from time to time in accordance with the terms thereof and hereof (it being understood that, if ~~the Intercreditor Agreement is no longer in effect because the Senior Secured Notes are no longer outstanding at the time of the incurrence of any Additional Second Lien Debt, the Intercreditor Agreement shall be an intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent, although an intercreditor agreement in form and substance substantially similar to the Intercreditor Agreement as in effect on the Closing Date shall be reasonably satisfactory to the Administrative Agent).~~ or the Third Lien Intercreditor Agreement.

**“Interest Election Request”** shall mean a request by Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.08(b), substantially in the form of Exhibit G.

**“Interest Payment Date”** shall mean (a) with respect to any ABR Revolving Loan, the last Business Day of each December, March, June and September to occur during any period in which such Revolving Loan is outstanding, (b) with respect to any Eurodollar Revolving Loan, the last day of the

Interest Period applicable to the Borrowing of which such Revolving Loan is a part and, in the case of a Eurodollar Revolving Loan with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, (c) with respect to any Revolving Loan, the Revolving Maturity Date (or such earlier date on which all of the Revolving Commitments are terminated) and, after such maturity (or termination, as the case may be), on each date on which demand for payment is made in accordance with this Agreement.

**"Interest Period"** shall mean, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter, as Borrower may elect; *provided* that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

**"Inventory Purchase Agreement"** shall mean any Inventory and Other Asset Purchase Agreement entered into between an affiliate of the Seller, a Restricted Subsidiary of Borrower, the Seller and Borrower, substantially in the form of Exhibit A attached to the Operating Agreement.

**"Investment Property"** shall have the meaning assigned to such term in the Security Agreement.

**"Investments"** shall have the meaning assigned to such term in Section 6.04.

**"ISP"** shall mean, with respect to any Letter of Credit, the "International Standby Practices 1998" (or "ISP 98") published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance of such Letter of Credit).

**"Issuing Bank"** shall mean, as the context may require, (a) RBC Europe Limited, (b) any other person that may become an Issuing Bank pursuant to Sections 2.17(i) and (j) with respect to Letters of Credit issued by such other person, and/or (c) collectively, all of the foregoing. The Issuing Bank may, subject to the consent of Borrower, not to be unreasonably withheld or delayed, arrange for one or more Letters of Credit to be issued by one or more of its Affiliates (and such Affiliate shall be deemed to be an "Issuing Bank" for all purposes of the Loan Documents). In the event that there is more than one Issuing Bank at any time, references herein and in the other Loan Documents to the Issuing Bank shall be deemed to refer to the Issuing Bank in respect of the applicable Letter of Credit or to all Issuing Banks, as the context requires. Each Issuing Bank (or one of its Affiliates), with Borrower's prior written consent (which consent shall not be unreasonably withheld or delayed), may cause Letters of Credit to be issued by unaffiliated financial institutions, and such Letters of Credit shall be treated as issued by such Issuing Bank (or one of its Affiliates) for all purposes under the Loan Documents (it being understood and agreed that, in any event, Borrower hereby consents to HSBC Bank plc and its Affiliates as being such an unaffiliated financial institution of any Issuing Bank hereunder).

**"Joinder Agreement"** shall mean a joinder agreement substantially in the form of Exhibit H.

**"Judgment Currency"** shall have the meaning assigned to such term in Section 11.17(a).

**“Judgment Currency Conversion Date”** shall have the meaning assigned to such term in Section 11.17(a).

**“LC Disbursement”** shall mean a payment or disbursement made by a Lender pursuant to a Letter of Credit.

**“LC Exposure”** shall mean, as at any date of determination, the sum of (a) the aggregate amount available to be drawn under all outstanding Letters of Credit at such time *plus* (b) the aggregate principal amount of all LC Reimbursement Obligations outstanding at such time in respect of LC Disbursements. For all purposes of this Agreement and the other Loan Documents, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP (or any other equivalent applicable rule with respect to force majeure events), such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

**“LC Participation Fee”** shall have the meaning assigned to such term in Section 2.05(c).

**“LC Reimbursement Obligations”** shall mean Borrower’s obligations under Section 2.17(e) to reimburse LC Disbursements.

**“LC Request”** shall mean a request by Borrower in accordance with the terms of Section 2.17(b) and substantially in the form of Exhibit I, or such other form as shall be approved by the Issuing Bank.

**“Leases”** shall mean any and all leases, subleases, tenancies, options, concession agreements, rental agreements, occupancy agreements, access agreements and any other agreements (including all amendments, extensions, replacements, renewals, modifications and/or guarantees thereof), whether or not of record and whether now in existence or hereafter entered into, affecting the use or occupancy of all or any portion of any Real Property.

**“Legal Requirements”** shall mean, as to any person, the Organizational Documents of such person, and any treaty, convention, law (including the common law and maritime law), statute, ordinance, code, rule, regulation, guidelines, license, permit requirement, Order or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such person or any of its property or to which such person or any of its property is subject.

**“Lenders”** shall mean (a) the financial institutions and other persons party hereto as “Lenders” on the date hereof, and (b) each financial institution or other person that becomes a party hereto pursuant to an Assignment and Acceptance, other than, in each case, any such financial institution or person that has ceased to be a party hereto pursuant to an Assignment and Acceptance.

**“Letter of Credit”** shall mean any irrevocable several standby letter of credit issued or to be issued by the Issuing Bank for the account of Borrower or one of its Wholly Owned Restricted Subsidiaries pursuant to Section 2.17.

**“Letter of Credit Expiration Date”** shall mean the date which is five Business Days prior to the Revolving Maturity Date.

**“LIBOR Rate”** shall mean, with respect to any Eurodollar Borrowing for any Interest Period therefor, (a) the applicable Screen Rate or (b) if no Screen Rate is available for Dollars for the Interest Period of that Eurodollar Borrowing, the rate per annum determined by the Administrative Agent as the rate of interest, expressed on a basis of 360 days at which deposits in Dollars for delivery on the first day

of such Interest Period in same day funds in the approximate amount of the Eurodollar Revolving Loan being made, continued or converted by the Administrative Agent and with a term and amount comparable to such Interest Period and principal amount of such Eurodollar Revolving Loan as would be offered by the Administrative Agent's London Branch to major banks in the offshore market for Dollars, at their request at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period. Each determination by the Administrative Agent of the LIBOR Rate shall be conclusive and binding for all purposes absent manifest error.

**"Lien"** shall mean, with respect to any property, (a) any mortgage, deed of trust, lien (statutory or other), pledge, encumbrance, charge, assignment in the nature of security, hypothecation, deposit arrangement, security interest or encumbrance of any kind or any arrangement to provide priority or preference or any filing of any financing statement under the UCC or any other similar notice of Lien under any similar notice or recording statute of any Governmental Authority, including any easement, right-of-way or other encumbrance on title to Real Property, in each of the foregoing cases whether voluntary or imposed by law, and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such property.

**"Liquidity"** shall mean, at any time, the sum of (I) the aggregate amount of Unrestricted cash and Cash Equivalents of Borrower and the Subsidiary Guarantors at such time plus (II) the aggregate amount of unused Revolving Commitments under this Agreement at such time (other than, in the case of this clause (II), if an Event of Default exists at such time).

**"Loan Documents"** shall mean this Agreement, the Letters of Credit, the Bank Guarantees, the Revolving Notes (if any), the Security Documents, any Intercreditor Agreement, any Supplement to Intercreditor Agreement, each Joinder Agreement, (from and after the Third Amendment Effective Date) the Ultimate Parent Guaranty, and, except for purposes of Section 11.02(b), the Fee Letters.

**"Loan Parties"** shall mean Borrower and the Subsidiary Guarantors.

**"Management Agreement"** shall mean that certain Management Services Agreement, dated as of November 30, 2012, by and among Borrower (and/or one or more parents thereof) and the Sponsors, as amended, modified, supplemented or restated in accordance with the terms hereof and thereof.

**"Management Fee Subordination Agreement"** shall mean a Management Fee Subordination Agreement substantially in the form of Exhibit J among the Sponsors, Borrower, Subsidiary Guarantors and the Collateral Agent.

**"Margin Stock"** shall have the meaning assigned to such term in Regulation U.

**"MARPOL Code"** shall mean the International Convention for the Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978.

**"Master Agreement"** shall have the meaning assigned to such term in the definition of "Hedging Agreement".

**"Material Adverse Effect"** shall mean a material adverse effect on, or a material adverse change in, (a) the condition (financial or otherwise), results of operations, assets, liabilities (contingent or otherwise) or business of (i) the Designated Companies, taken as a whole (it being understood and agreed that the sale of a Designated Collateral Rig or the designation of a Designated Collateral Rig as an Excluded Rig or any other transaction, in each case as otherwise permitted hereunder, shall not in and of

itself constitute such a material adverse effect or material adverse change under this clause (i)) or (ii) the Loan Parties, taken as a whole, (b) the ability of the Loan Parties to fully and timely perform any of their payment or other material obligations under any Loan Document, or (c) the rights of or benefits or remedies, taken as a whole, available to the Lenders, the Issuing Bank, the Guarantee Bank or any Agent under any Loan Document.

“**Material Agreement**” shall mean (w) any Operating Agreement, (x) any Bareboat Charter, (y) the Transition Services Agreement and (z) any Employee Matters Agreement.

“**Maximum Rate**” shall have the meaning assigned to such term in Section 11.13.

“**Maximum Redemption Amount**” shall have the meaning assigned to such term in Section 6.08(b).

“**Midco**” shall mean Shelf Drilling Midco, Ltd., an indirect parent of Borrower.

“**Minimum Liquidity Condition**” shall mean, at any time, that the aggregate amount of Liquidity at such time shall equal or exceed (a) solely for purposes of Section 6.21, \$50,000,000, and (b) for all other purposes in this Agreement, \$100,000,000 of which (in the case of this clause (b)) at least \$25,000,000 shall be Liquidity under clause (I) of the definition thereof.

“**Moody’s**” shall mean Moody’s Investors Service, Inc., or any successor corporation thereto.

“**Multiemployer Plan**” shall mean a multiemployer plan within the meaning of Section 4001(a)(3) or Section 3(37) of ERISA, (a) to which any Company or any of its ERISA Affiliates is then making or accruing an obligation to make contributions or (b) to which any Company or any of its ERISA Affiliates has within the preceding six plan years made or been obligated to make contributions.

“**Net Cash Proceeds**” shall mean:

(a) with respect to any Asset Sale, the “Net Cash Proceeds” (as such term, or any similar term, is defined in the applicable Senior Secured Notes Document, Additional Second Lien Debt Document or Additional Unsecured Debt Document) therefrom; and

(b) with respect to any Casualty Event, the cash insurance proceeds, condemnation awards and similar compensation received by any Company in respect thereof, net of all costs and expenses (including legal, accounting and other professional and transaction fees and expenses and brokers’ fees and expenses) incurred in connection with the collection of such proceeds, awards or other compensation in respect of such Casualty Event (including legal, accounting and other professional and transaction fees and expenses and brokers’ fees and expenses).

“**Net Equity Proceeds**” shall mean, with respect to each sale or issuance of Qualified Capital Stock by, or capital contribution to, Borrower (other than any sales or issuances to, or capital contributions by, any Subsidiary of Borrower), the cash proceeds received by Borrower therefrom (net of underwriting discounts and commissions and other fees, costs and expenses associated therewith).

“**Net Equity Proceeds Amount**” shall mean, at any time, an amount equal to:

(a) the Net Equity Proceeds received by Borrower after July 1, 2016; *plus*

(b) an amount equal to the sum of (x) the net reduction in the Investments made pursuant to Section 6.04(o) after July 1, 2016 (whether before or after the Second Amendment Effective Date) by Borrower or any Restricted Subsidiary in any person resulting from repurchases, repayments or redemptions of such Investments by such person, proceeds realized on the sale of such Investment and proceeds representing the return of capital (excluding dividends and distributions), in each case received by Borrower or any Restricted Subsidiary, and (y) in the case of a designation of an Unrestricted Subsidiary as a Restricted Subsidiary (or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into Borrower or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to Borrower or a Restricted Subsidiary) after July 1, 2016 (whether before or after the Second Amendment Effective Date), the portion (proportionate to Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary or such merger, amalgamation, consolidation or transfer occurs; *provided, however*, that the foregoing sum shall not exceed, in the case of any such person or Unrestricted Subsidiary, the amount of Investments previously made (and treated as an Investment) by Borrower or any Restricted Subsidiary in such person or Unrestricted Subsidiary since July 1, 2016, pursuant to Section 6.04(o) (whether before or after the Second Amendment Effective Date); *provided, further*, that to the extent Borrower or any of its Restricted Subsidiaries has made an Investment in an Unrestricted Subsidiary pursuant to Section 6.04(q) (as such Section was in effect prior to, as well as after, the Third Amendment Effective Date), the amount described in clause (y) above shall not include the original amount of such Investment in such Unrestricted Subsidiary pursuant to such Section 6.04(q); *minus*

(c) the portion of the Net Equity Proceeds Amount used since July 1, 2016 (A) to make Investments pursuant to Section 6.04(o) (before the Second Amendment Effective Date as well as on or after the Second Amendment Effective Date), (B) to pay or make Dividends pursuant to Section 6.08(e) (before the Second Amendment Effective Date as well as on or after the Second Amendment Effective Date) and (C) to repay, prepay, purchase, redeem, retire, defease or otherwise acquire Subordinated Indebtedness, Senior Secured Notes, Additional Second Lien Debt and Additional Unsecured Debt (in each case, including any Permitted Refinancing Indebtedness in respect thereof) pursuant to clause (i) of Section 6.10(a) (before the Second Amendment Effective Date as well as on or after the Second Amendment Effective Date); *minus*

(d) the aggregate amount of Dividends declared, made or paid pursuant to Section 6.08(n).

**"Newbuild Charters"** shall mean that certain Bareboat Charter in respect of Shelf Drilling Chaophraya, dated as of October 10, 2015, by and between Hai Jiao 1502 Limited and Shelf Drilling TBN I, Ltd., and that certain Bareboat Charter in respect of Shelf Drilling Krathong, dated as of October 10, 2015, by and between Hai Jiao 1503 Limited and Shelf Drilling TBN II, Ltd.

**"Newbuild Rigs"** shall mean the offshore drilling rigs named the Shelf Drilling Chaophraya (registered in Liberia under Official Number 16767) and the Shelf Drilling Krathong (registered in Liberia under Official Number 16768).

**"Newbuild Subsidiaries"** shall mean Shelf Drilling (Far East) Operations, Ltd., Shelf Drilling (Southeast Asia) Limited, Shelf Drilling Asset I, Ltd., Shelf Drilling Asset II, Ltd., Shelf Drilling (Singapore) PTE. LTD., Shelf Drilling TBN I, Ltd. and Shelf Drilling TBN II, Ltd.



**“New Lender”** shall have the meaning assigned to such term in Section 2.19(c).

**“New Senior Secured Notes Indenture”** shall mean the Indenture, dated as of the Second Amendment Effective Date, among Borrower, as issuer, the Subsidiary Guarantors party thereto, as guarantors, and Wilmington Trust, National Association, as trustee thereunder, as the same may be amended, restated, modified or supplemented from time to time thereafter in accordance with the terms hereof and thereof.

**“Non-Defaulting Lender”** shall mean each Lender other than a Defaulting Lender.

**“Non-Financial Bank Guarantees”** shall mean Bank Guarantees other than Financial Bank Guarantees.

**“Non-Financial Letters of Credit”** shall mean Letters of Credit other than Financial Letters of Credit.

**“Non-Public Information”** shall mean material non-public information (within the meaning of United States federal, state or other applicable securities laws) with respect to the Ultimate Parent, Borrower or its Subsidiaries or their securities.

**“Obligation Currency”** shall have the meaning assigned to such term in Section 11.17(a).

**“Obligations”** shall mean all obligations of Borrower, the other Loan Parties and the Ultimate Parent from time to time arising under or in respect of the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing at the rate provided for in this Agreement during the pendency of any Insolvency Proceeding, regardless of whether allowed or allowable in such Insolvency Proceeding) on the Revolving Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by Borrower and the other Loan Parties under this Agreement in respect of any Letter of Credit, when and as due, including payments in respect of LC Reimbursement Obligations, interest thereon (including interest accruing at the rate provided for in this Agreement during the pendency of any Insolvency Proceeding, regardless of whether allowed or allowable in such Insolvency Proceeding) and obligations to provide cash collateral, (iii) each payment required to be made by Borrower and the other Loan Parties under this Agreement in respect of any Bank Guarantee, when and as due, including payments in respect of Bank Guarantee Reimbursement Obligations, interest thereon (including interest accruing at the rate provided for in this Agreement during the pendency of any Insolvency Proceeding, regardless of whether allowed or allowable in such Insolvency Proceeding) and obligations to provide cash collateral and (iv) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any Insolvency Proceeding, regardless of whether allowed or allowable in such Insolvency Proceeding), of the Ultimate Parent, Borrower and the other Loan Parties under this Agreement and the other Loan Documents.

**“Offering Memorandum”** shall mean the offering memorandum dated December 9, 2016, relating to the offering of 9.500% Senior Secured Notes due 2020 by Borrower.

**“Officer’s Certificate”** shall mean a certificate executed by the chairman of the Board of Directors (if an officer), the chief executive officer, the president, or one of the Financial Officers, each in his or her official (and not individual) capacity.

**“Operating Agreement”** shall have the meaning assigned to such term in the Purchase Agreements.

**“Order”** shall mean any judgment, decree, verdict, order, consent order, consent decree, writ, declaration or injunction.

**“Organizational Documents”** shall mean, with respect to any person, (a) in the case of any corporation, the certificate of incorporation or deed of incorporation and by-laws (or similar documents) of such person, (b) in the case of any limited liability company, the certificate or articles of formation or organization and operating agreement or memorandum and articles of association (or similar constituent documents) of such person, (c) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar constituent documents) of such person, (d) in the case of any general partnership, the partnership agreement (or similar constituent document) of such person, (e) in any other case, the functional equivalent of the foregoing, and (f) any shareholder, voting trust or similar agreement between or among any holders of Equity Interests of such person.

**“Other Connection Taxes”** shall mean, with respect to any Recipient, Taxes imposed as a result of any present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document).

**“Other Taxes”** shall mean any and all present or future stamp or documentary Taxes or any other excise or property Taxes, charges (including fees and expenses to the extent incurred with respect to any such taxes or charges) or similar levies (including interest, fines, penalties and additions with respect to any of the foregoing) arising from any payment made or required to be made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

**“Parent”** shall mean Shelf Drilling Intermediate, Ltd., a Cayman Islands company.

**“Participant”** shall have the meaning assigned to such term in Section 11.04(e).

**“Participant Register”** shall have the meaning assigned to such term in Section 11.04(e).

**“Patriot Act”** shall have the meaning assigned to such term in Section 3.20(a).

**“PBGC”** shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

**“PCBs”** shall have the meaning assigned to such term in the definition of “Hazardous Materials”.

**“Pension Plan”** shall mean any “employee benefit plan” (as defined in Section 3(2) of ERISA) (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which is maintained or contributed to by any Company or any of its ERISA Affiliates or with respect to which any Company could reasonably be expected to incur any liability (whether contingent or otherwise) (including under Section 4069 of ERISA).

**“Permitted Acquisition”** shall mean any consensual transaction or series of related consensual transactions for the direct or indirect (a) acquisition of all or substantially all of the property of any person, or all or substantially all of any business or division of any person, (b) acquisition of 100% of the Equity Interests of any person, and otherwise causing such person to become a Wholly Owned Restricted



Subsidiary of such person, or (c) merger or consolidation or any other combination with any person (other than any such transaction that is intended to effectuate a disposition by Borrower of any of its Restricted Subsidiaries), if each of the following conditions is met:

(i) (x) no Default exists immediately before or after giving effect thereto and (y) if the Acquisition Consideration for such transaction or series of related transactions exceeds \$10,000,000, then all of the representations and warranties contained herein and in the other Loan Documents shall be true and correct in all material respects both immediately before and after giving effect to the Permitted Acquisition (unless stated to relate to a specific earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date);

(ii) if the Acquisition Consideration for such transaction or series of related transactions exceeds \$10,000,000, then at the time of such Permitted Acquisition and immediately after giving effect thereto, Borrower would be able to incur \$1 of additional Indebtedness pursuant to Section 4.10(a) of the Unsecured Notes Indenture (as in effect on the Third Amendment Effective Date);

(iii) no Company shall, in connection with any such transaction, assume or remain liable with respect to any Indebtedness of the related seller or the business, person or properties acquired, except Indebtedness to the extent permitted to be incurred under Section 6.01;

(iv) the person(s) or business(es) to be acquired shall be, or shall be engaged in, a business of the type that Borrower and its Restricted Subsidiaries are permitted to be engaged in under Section 6.13 and the property acquired in connection with any such transaction shall be made subject to the Lien of the Security Documents in accordance with Section 5.10 (except to the extent any such property constitutes an Excluded Asset or the property is owned by a Restricted Subsidiary that is not (or is not required to become) a Loan Party to the extent permitted hereunder) and shall be free and clear of any Liens, other than Permitted Liens;

(v) with respect to such transaction, the Board of Directors of the person to be acquired shall not have publicly indicated its opposition to the consummation of such transaction (which opposition has not been publicly withdrawn);

(vi) if the Acquisition Consideration for such transaction or series of related transactions exceeds \$10,000,000, then at least three Business Days prior to the proposed date of consummation of such transaction, Borrower shall have delivered to the Administrative Agent an Officer's Certificate of Borrower certifying that such transaction complies with this definition (which shall have attached thereto reasonably detailed backup data and calculations showing such compliance); and

(vii) (a)(A) the person making such acquisition is Borrower, a Subsidiary Guarantor or, to the extent consistent with the provisions below in this clause (vii), any other Restricted Subsidiary, and (B) to the extent required under the Loan Documents, including Section 5.10, upon consummation of the Permitted Acquisition, the person being so acquired becomes a Subsidiary Guarantor, (b) in the case of a merger or consolidation or any other combination involving Borrower or any Subsidiary Guarantor, the person surviving such merger, consolidation or other combination (x) is Borrower (in the case of any such transaction involving Borrower) or a Subsidiary Guarantor (in all other cases) or (y) to the extent required under the Loan Documents, including Section 5.10, upon consummation of the Permitted Acquisition becomes a Subsidiary Guarantor; *provided, however*, the aggregate Acquisition Consideration for all Permitted Acquisitions by Borrower, any

Subsidiary Guarantor or any other Restricted Subsidiary effected after the Closing Date in which either (x) all persons so acquired did not become Subsidiary Guarantors (or merge with and into Borrower or a Subsidiary Guarantor) or (y) substantially all of the consolidated assets of the persons so acquired were not subject to a perfected security interest under the Security Documents shall not exceed \$50,000,000.

**“Permitted Hedging Agreement”** shall mean any Hedging Agreement to the extent dealing with interest rates, currency exchange rates or commodity prices, either generally or under specific contingencies, in each case entered into in the ordinary course of business and not for speculative purposes or taking a “market view.”

**“Permitted Holders”** shall mean (a) each Specified Equity Sponsor and any person Controlling, Controlled by, or under common Control with, and any account Controlled or managed by or under common Control or management with such Specified Equity Sponsor, (b) each Sponsor and any successor thereto and of its Subsidiaries, (c) one or more investment funds managed or Controlled by any Sponsor and any successor thereto or any of its Affiliates, (d) any employee, member of management or director of (including any of their heirs) any of the foregoing entities and their respective Affiliates and (e) any group within the meaning of Section 13(d) of the Exchange Act of which a person described in clauses (a) through (d) above is a member and in which such persons beneficially own or control a majority of the voting stock of Borrower held by such group and which such group collectively beneficially owns or controls more voting stock of Borrower than any other group of which any Specified Equity Sponsor or Sponsor or any of its Controlled Affiliates is not a member. Except for a Permitted Holder specifically identified by name, in determining whether voting stock is owned by a Permitted Holder, only voting stock acquired by a Permitted Holder in its described capacity will be treated as “beneficially owned” by such Permitted Holder.

**“Permitted Joint Venture”** shall mean any joint venture that Borrower or any of its Restricted Subsidiaries is a party to that is engaged in any business in which Borrower or any of its Restricted Subsidiaries was engaged on the Closing Date and any business related, ancillary, supplemental or complementary to such business, including, but not limited to, accommodation and fixed production units.

**“Permitted Liens”** shall have the meaning assigned to such term in Section 6.02.

**“Permitted Management Fees”** shall mean fees payable to the Sponsors in accordance with the Management Agreement; *provided* that (i) the aggregate amount of all such fees made thereunder in any fiscal year of Borrower shall not (together with expenses for such fiscal year described in Section 6.09(f)) exceed \$6,500,000, (ii) no portion of the Permitted Management Fees may be paid at any time that an Event of Default has occurred and is continuing or would immediately result from such payment, although such portion not permitted to be so paid may continue to accrue (without interest), (iii) any portion of the Permitted Management Fees that has accrued but which was not permitted to be paid pursuant to preceding clause (ii) may be paid immediately after such Event of Default has been cured or waived and (iv) all amounts owing under the Management Agreement shall be subject to the Management Fee Subordination Agreement.

**“Permitted Refinancing Indebtedness”** shall mean any Indebtedness of Borrower or any Restricted Subsidiary issued in exchange for, or the net proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge, other Indebtedness of Borrower or such Restricted Subsidiary, as applicable (other than intercompany Indebtedness between or among any of the Companies); *provided* that (A) any such Indebtedness is in an aggregate principal amount (or aggregate amount, as applicable) not greater than the aggregate principal amount (or aggregate amount, as

applicable) of the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged, *plus* the amount of any accrued and unpaid interest and premium required to be paid thereon and reasonable fees and expenses associated therewith, (B) such Indebtedness has a later or equal final maturity and longer or equal Weighted Average Life to Maturity than the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged, (C) the covenants, events of default, subordination (including lien subordination) and other terms, conditions and provisions thereof (including any guarantees thereof or security documents in respect thereof, but excluding interest rate and premiums thereon and other economic terms thereof) shall be, in the aggregate, no more restrictive in any material respect on Borrower or any of its Restricted Subsidiaries (or, in case of subordination provisions, no less favorable in any material respect to the Administrative Agent, the Collateral Agent and the Lenders) than (i) those contained in the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged or (ii) such covenants, events of default, subordination and other terms, conditions and provisions then prevailing in the market for similar Indebtedness, in each case as reasonably determined in good faith by a Responsible Officer of Borrower and (D) any such Indebtedness shall not add guarantors, obligors or security from that which applied to such Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged; *provided further, however*, (x) that Permitted Refinancing Indebtedness shall not include Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor that refinances Indebtedness of Borrower or a Subsidiary Guarantor, (y) that any intercompany Indebtedness between or among Borrower and its Subsidiaries that is listed on Schedule 6.01(b) may only be refinanced to the extent such intercompany Indebtedness is otherwise permitted by (and incurred pursuant to) Section 6.04(f) and (z) the Indebtedness in respect of reimbursement obligations by Borrower and its Subsidiaries owing to Seller in connection with Stand Alone Credit Support that is listed on Schedule 6.01(b) may only be refinanced (i) to the extent such refinancing Indebtedness is permitted by (and incurred pursuant to) Section 6.01(f) or (ii) with a Letter of Credit or Bank Guarantee issued under this Agreement.

**“Permitted Tax Distributions”** shall mean payments, dividends or distributions by Borrower to any direct or indirect parent of Borrower in order to pay present or future consolidated or combined income taxes that are not payable directly by Borrower or its Restricted Subsidiaries, which payments by Borrower are not in excess of the tax liabilities that would have been payable by Borrower and its Restricted Subsidiaries on a stand-alone basis.

**“person”** shall mean any natural person, corporation, business trust, joint venture, trust, association, company (whether limited in liability or otherwise), partnership (whether limited in liability or otherwise) or Governmental Authority, or any other entity, in any case, whether acting in a personal, fiduciary or other capacity.

**“Platform”** shall have the meaning assigned to such term in Section 11.01(f).

**“Pre-Approved Assignee”** shall mean any person on that certain “white list” shared with Borrower on June 4, 2018, a copy of which has been provided to the Lenders on or prior to the Third Amendment Effective Date.

**“Preferred Instrument”** shall mean the Preferred Stock of the Ultimate Parent, a parent of Borrower, issued as preferred shares on October 12, 2012, as amended, restated, modified, supplemented or replaced from time to time.

**“Preferred Stock”** shall mean, with respect to any person, any and all preferred or preference Equity Interests (however designated) of such person.

**“primary obligations”** shall have the meaning assigned to such term in the definition of “Contingent Obligation”.

**“primary obligor”** shall have the meaning assigned to such term in the definition of “Contingent Obligation”.

**“Prime Rate”** shall mean, for any day, for any day, a rate per annum equal to the rate of interest in effect for such day as publicly announced from time to time by Royal Bank of Canada as its “prime rate”.

**“Process Agent”** shall have the meaning assigned to such term in Section 11.09(d).

**“Pro Forma Basis”** shall mean, with respect to compliance with any financial test hereunder, compliance with such financial test after giving effect to (a) any Permitted Acquisition (to the extent not subsequently disposed of during such period), as if such Permitted Acquisition, and all other Permitted Acquisitions consummated during the applicable period, were consummated at the beginning of such period, and any Indebtedness or other liabilities incurred in connection with any such Permitted Acquisitions had been consummated and incurred at the beginning of such period, (b) any Asset Sale, as if such Asset Sale, and all other Asset Sales consummated during the applicable period, were consummated at the beginning of such period, and any Indebtedness or other liabilities incurred in connection with any such Asset Sales had been consummated and incurred at the beginning of such period, (c) any designation or re-designation pursuant to Section 5.15, as if such designation or re-designation, and all other designations and re-designations consummated during the applicable period, were consummated at the beginning of such period, and any Indebtedness or other liabilities incurred in connection with any such designation or re-designation had been consummated and incurred at the beginning of such period, (d) the incurrence or repayment of any Indebtedness, as if such incurrence or repayment had occurred at the beginning of such period, or (e) any other event expressly required to be calculated on a Pro Forma Basis hereunder. For purposes of this definition, if any Indebtedness to be so incurred bears interest at a floating rate and is being given pro forma effect, the interest on such Indebtedness will be calculated as if the rate in effect on the date of incurrence had been the applicable rate for the entire period (taking into account any applicable interest rate Hedging Agreements).

**“Pro Rata Percentage”** of any Lender at any time shall mean the percentage of the total Revolving Commitments of all Lenders represented by such Lender’s Revolving Commitment at such time.

**“Projections”** shall have the meaning assigned to such term in Section 3.04(b).

**“property”** shall mean any right, title or interest in or to property or assets of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible and including Equity Interests of any person and whether now in existence or owned or hereafter entered into or acquired, including all Real Property, cash, securities, accounts, revenues and contract rights.

**“PTO”** shall have the meaning assigned to such term in the definition of “Excluded Assets”.

**“Public Lenders”** shall mean Lenders that do not wish to receive Non-Public Information with respect to the Ultimate Parent, Borrower or its Subsidiaries.

**“Purchase Agreements”** shall mean the Share Purchase Agreement and the Asset Purchase Agreements, in each case, together with the schedules and exhibits thereto, dated as of September 9, 2012 (or, in the case of certain exhibits, dated as of November 30, 2012), among Borrower (or its

applicable Restricted Subsidiaries) and the Seller, in each case as in effect on the Closing Date (as the same may be amended, modified or waived from time to time after the Closing Date in accordance with the terms of this Agreement).

**“Purchase Money Obligation”** shall mean, for any person, the obligations of such person in respect of Indebtedness (including Capital Lease Obligations) incurred for the purpose of financing all or any part of the price to purchase or lease any fixed or capital assets (including Equity Interests of any person owning fixed or capital assets) or the cost of installation, construction, development, design, remodeling or improvement of any fixed or capital assets; *provided, however*, that (a) such Indebtedness is incurred within 90 days after such acquisition, lease, installation, construction, development, design, remodeling or improvement of such fixed or capital assets by such person and (b) the amount of such Indebtedness does not exceed 100% of the cost of such acquisition, lease, installation, construction, development, design, remodeling or improvement, as the case may be.

**“Qualified Capital Stock”** of any person shall mean any Equity Interests of such person that are not Disqualified Capital Stock.

**“Real Property”** shall mean, collectively, all right, title and interest (including any leasehold, fee, mineral or other estate) in and to any and all parcels of or interests in real property owned, leased or operated by any person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and equipment, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

**“Recipient”** shall have the meaning assigned to such term in the definition of “Excluded Taxes”.

**“Refinancing”** shall mean the repayment or satisfaction and discharge in full of, and the termination of any commitment to make extensions of credit under, all of the outstanding indebtedness of Borrower under the Existing Credit Agreement.

**“Register”** shall have the meaning assigned to such term in Section 11.04(c).

**“Regulation D”** shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

**“Regulation T”** shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

**“Regulation U”** shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

**“Regulation X”** shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

**“Related Person”** shall mean, with respect to any person, (a) each Affiliate of such person and each of the officers, directors, partners, trustees, employees, affiliates, shareholders, Advisors, agents, attorneys-in-fact and Controlling persons of each of the foregoing, and (b) if such person is an Agent, each other person designated, nominated or otherwise mandated by or assisting such Agent pursuant to Section 10.05 or any comparable provision of any Loan Document.

**“Release”** shall mean any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or



migrating of any Hazardous Materials into or onto the Environment or out of any Real Property or Rig (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material).

**“Relevant Person”** shall have the meaning assigned to such term in Section 3.20(b).

**“Required Insurance”** shall mean insurance of the type, deductible and amount maintained by Borrower and its Restricted Subsidiaries on the Third Amendment Effective Date and as more particularly set forth on Schedule 3.19 and, without limiting the foregoing, providing that the aggregate insured values of all of the Designated Collateral Rigs shall at all times be at least equal to 120% of the aggregate amount of the Revolving Commitments.

**“Required Lenders”** shall mean, at any time, Lenders having outstanding Revolving Loans, LC Exposure, Bank Guarantee Exposure and unused Revolving Commitments representing at least 66-2/3% of the sum of all outstanding Revolving Loans, LC Exposure, Bank Guarantee Exposure and unused Revolving Commitments at such time.

**“Resignation Effective Date”** shall have the meaning assigned to such term in Section 10.06.

**“Responsible Officer”** of any person shall mean any executive officer or Financial Officer of such person and any other officer or similar official thereof with significant responsibility for the administration of the obligations of such person in respect of this Agreement.

**“Restricted”** shall mean, when referring to cash or Cash Equivalents of Borrower or any Subsidiary Guarantor, that such cash or Cash Equivalents (i) appear (or would be required to appear) as “restricted” on a consolidated balance sheet of Borrower or any Subsidiary Guarantor (unless such appearance is related to (x) the Loan Documents or Liens created thereunder, (y) any Senior Secured Notes Documents or the Liens created thereunder so long as the Intercreditor Agreement is in effect or (z) the Additional Second Lien Debt Documents or the Liens created thereunder so long as the Intercreditor Agreement is in effect), (ii) are subject to any Lien in favor of any person other than (x) the Collateral Agent for the benefit of the Secured Parties under the Security Documents, (y) any Senior Secured Notes Agent for the benefit of the holders of any Senior Secured Notes or any Additional Second Lien Debt so long as the Intercreditor Agreement is in effect, or (z) Permitted Liens in compliance with Sections 6.02(a), (b), (g)(x), (l) and (q), in each case, in the case of this clause (z), so long as such cash or Cash Equivalents otherwise remain generally available for use by Borrower or a Subsidiary Guarantor or (iii) are not otherwise generally available for use by Borrower or such Subsidiary Guarantor.

**“Restricted Party”** shall mean a person that (i) is listed on or controlled by a person listed on any Sanctions list or targeted by Sanctions, (ii) is domiciled, organized, registered, located or has its main place of business in, or is incorporated under the laws of, or is resident in a country or territory that is, or whose government is, the subject of comprehensive Sanctions, and/or (iii) is directly or indirectly owned (as to fifty per cent (50%) or more) by or controlled by or acting on behalf of a person referred to in (i) and/or (ii) above, in each case, if and to the extent that a Loan Party would be prohibited or restricted by Sanctions from transacting or dealing with (including but not limited to being a party to this Agreement), or otherwise exercising any rights in respect of, or fulfilling any duties or obligations owed to, such a person.

**“Restricted Subsidiary”** shall mean any direct or indirect Subsidiary of Borrower other than an Unrestricted Subsidiary.

**“Restructuring Transactions”** shall mean the offering of the Senior Secured Notes by Borrower on the Second Amendment Effective Date pursuant to the New Senior Secured Notes Indenture and other restructuring transactions related thereto as described in the Offering Memorandum (which include the exchange of at least 90.0% of the existing Senior Secured Notes described in clause (x) of the definition thereof into Senior Secured Notes described in clause (y) of the definition thereof) and (ii) the exchange (and related cancellation) of the \$350,000,000 in aggregate principal amount of term loans of Midco into (x) \$86,750,000 aggregate principal amount of Senior Secured Notes described in clause (y) of the definition thereof, (y) a cash payment of no more than \$185,750,000, of which no more than \$85,750,000 will come from a cash Dividend paid by Borrower on or about August 26, 2016 under (and in accordance with the terms of) this Agreement (before giving effect to the Second Amendment) and the balance will come from funds provided by certain holders of equity of an indirect parent of Borrower and (z) a cash payment of accrued and unpaid interest on such term loans.

**“Restructuring Transactions Receivable”** shall mean the intercompany receivable owed by Midco and payable to Borrower in connection with the Restructuring Transactions.

**“Reuters Screen LIBOR01”** shall have the meaning assigned to such term in the definition of “Screen Rate”.

**“Revolving Availability Period”** shall mean the period from and including the Closing Date to but excluding the earlier of (i) the Business Day preceding the Revolving Maturity Date and (ii) the date of termination of all of the Revolving Commitments.

**“Revolving Borrowing”** shall mean a Borrowing comprised of Revolving Loans.

**“Revolving Commitment”** shall mean, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans and participate in Letters of Credit and Bank Guarantees hereunder up to the amount set forth on Annex I or on Schedule 1 to the Assignment and Acceptance pursuant to which such Lender assumed its Revolving Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.07, (b) increased or provided from time to time pursuant to Section 2.19 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.04. The aggregate principal amount of the Lenders’ Revolving Commitments on the Third Amendment Effective Date is \$225,000,000.

**“Revolving Exposure”** shall mean, with respect to any Lender at any time, the aggregate principal amount at such time of all outstanding Revolving Loans of such Lender, *plus* the aggregate amount at such time of such Lender’s LC Exposure, *plus* the aggregate amount at such time of such Lender’s Bank Guarantee Exposure.

**“Revolving Loan”** shall mean a loan made by the Lenders to Borrower pursuant to Section 2.01. Each Revolving Loan shall either be an ABR Revolving Loan or a Eurodollar Revolving Loan.

**“Revolving Maturity Date”** shall mean April 30, 2023, or, if such date is not a Business Day, the first Business Day thereafter.

**“Revolving Notes”** shall mean any notes evidencing the Revolving Loans issued pursuant to Section 2.04(e), if any, substantially in the form of Exhibit N.

**“Rig”** shall mean, collectively, offshore drilling rigs, including, without limitation, semisubmersibles, drillships, jack-ups, semisubmersible tender assist vessels and submersible rigs and barges owned by (i) Borrower or any Restricted Subsidiary of Borrower and (ii) in the case of Sections

6.04(v) and 6.08(o), any Affiliate of Borrower or any direct or indirect Unrestricted Subsidiary of Borrower, and, individually, any of such rigs or barges.

**“Rig Collateral Requirements”** shall mean, with respect to a Rig owned by a Loan Party, the requirement that:

(a) the Loan Party that owns such Rig shall have duly authorized, executed and delivered, and caused to be recorded in the appropriate ship registry of the applicable Acceptable Flag Jurisdiction, a Collateral Rig Mortgage with respect to such Rig and such Collateral Rig Mortgage shall be effective to create in favor of the Collateral Agent for the benefit of the Secured Parties a legal, valid and enforceable first priority security interest, in and lien upon such Rig, subject only to Permitted Liens related thereto (it being understood that any Permitted Liens in favor of any Senior Secured Notes Agent for the benefit of the holders of any Senior Secured Notes or any Additional Second Lien Debt only shall be permitted so long as the Intercreditor Agreement is in effect);

(b) all filings, deliveries of instruments and other actions necessary or desirable in the reasonable opinion of the Collateral Agent to perfect and preserve the security interests described in clause (a) above in the jurisdiction in which such Rig is flagged and (if required) in the jurisdiction of organization of the Loan Party that is the owner of such Rig shall have been duly effected and the Collateral Agent shall have received evidence thereof in form and substance reasonably satisfactory to it and such customary legal opinions (subject to customary assumptions and qualifications and otherwise consistent with the opinions delivered on the Closing Date pursuant to Section 4.01(g)) as the Collateral Agent may reasonably request with respect to any Collateral Rig Mortgage; and

(c) the Administrative Agent shall have received each of the following:

(i) certificates of ownership from appropriate authorities showing (or confirmation updating previously reviewed certificates and indicating) the registered ownership of such Rig by the relevant Loan Party;

(ii) unless already reflected in the certificate of ownership and encumbrance provided pursuant to clause (i) above, the results of maritime registry searches (in whatever form is customarily provided in the applicable Acceptable Flag Jurisdiction) with respect to such Rig, indicating no record liens other than (A) Liens in favor of the Collateral Agent (B), Liens in favor of and Jefferies Finance LLC as collateral agent under the Existing Credit Agreement which shall be released and terminated on the Closing Date or within the time period provided in Section 5.16 and (C) Permitted Liens related thereto; and

(iii) class certificates (except for any Rig that is cold stacked) from an Approved Classification Society indicating that such Rig meets the criteria specified in Section 5.14.

**“S&P”** shall mean Standard & Poor’s Financial Services LLC, a subsidiary of the McGraw-Hill Companies, Inc., or any successor thereto.

**“Sale and Leaseback Transaction”** shall have the meaning assigned to such term in Section 6.03.



“**Sanctions**” shall have the meaning assigned to such term in [Section 3.20\(b\)](#).

“**Screen Rate**” shall mean the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for Dollars for the relevant period displayed on the Reuters Screen LIBOR01 Page (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters; *provided*, that if such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with Borrower. “**Reuters Screen LIBOR01**” shall mean the display designated on the Reuters 3000 Xtra Page (or such other page as may replace such page on such service for the purpose of displaying the rates at which Dollar deposits are offered by leading banks in the London interbank deposit market).

“**SDAIII**” shall mean Shelf Drilling Asset III, Ltd., a Cayman Islands company.

“**SDAIII Facility Agreement**” shall mean that certain Facility Agreement dated as of December 21, 2017 by and among SDAIII, Shelf Drilling Services Limited, Shelf Drilling Intermediate, Ltd., the Lenders party thereto, ING Bank N.V. as Agent and Account Bank, and DNB Bank ASA as Issuing Bank.

“**SEC**” shall mean the U.S. Securities and Exchange Commission.

“**Second Amendment**” shall mean the Second Amendment to Credit Agreement, dated as of January 9, 2017, by and among Borrower, the Subsidiary Guarantors, the Lenders, the Issuing Bank, the Guarantee Bank, the Administrative Agent and the Collateral Agent.

“**Second Amendment Effective Date**” shall mean the date of the Notice of Effectiveness (as defined in the Second Amendment).

“**Second Lien Intercreditor Agreement**” shall mean that certain [Intercreditor Agreement, dated as of November 30, 2012, by and among Borrower, the Subsidiary Guarantors, the Collateral Agent and the Senior Secured Notes Agent, as in effect on the date hereof as attached hereto as Exhibit F and thereafter as amended, restated, modified or supplemented from time to time in accordance with the terms thereof and hereof \(it being understood that, if such Intercreditor Agreement is no longer in effect with respect to Additional Second Lien Debt because Additional Second Lien Debt subject to such Intercreditor Agreement is not outstanding immediately prior to the incurrence of Additional Second Lien Debt to be subject to the Second Lien Intercreditor Agreement, the Second Lien Intercreditor Agreement shall be an intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent, although an intercreditor agreement in form and substance substantially similar to the Second Lien Intercreditor Agreement as in effect on the date of the Third Amendment shall be reasonably satisfactory to the Administrative Agent\)](#).

“**Secured Leverage Ratio**” shall mean, with respect to any Test Period, the ratio of (a) Consolidated Indebtedness that is secured by a Lien on any asset of Borrower or any Restricted Subsidiary as of the last day of such Test Period to (b) Consolidated EBITDA for such Test Period.

“**Secured Obligations**” shall mean (a) the Obligations, (b) the Hedging Obligations of Borrower and the other Loan Parties under each Permitted Hedging Agreement entered into with any counterparty that is a Secured Party and (c) the Bank Product Obligations of Borrower and the other Loan Parties under each Bank Product Agreement entered into with any counterparty that is a Secured Party.

**“Secured Parties”** shall mean, collectively:

(c) with respect to the Obligations, the Administrative Agent, the Collateral Agent, each other Agent, the Lenders, the Issuing Bank and the Guarantee Bank;

(d) with respect to the Hedging Obligations under Permitted Hedging Agreements, the Administrative Agent, the Collateral Agent, each other Agent, the Lenders and each counterparty to a Permitted Hedging Agreement if (i) at the date of entering into such Hedging Agreement such counterparty was an Agent, a Lender, an Affiliate of an Agent or Lender or another financial institution reasonably satisfactory to the Administrative Agent, and (ii) such counterparty executes and delivers to the Administrative Agent a letter agreement in form and substance reasonably acceptable to the Administrative Agent pursuant to which such counterparty (x) appoints the Administrative Agent and the Collateral Agent as its agents under the applicable Loan Documents and (y) agrees to be bound by the provisions of Sections 10.03, 11.03 and 11.09, the Intercreditor Agreement and each Security Document as if it were a Lender; and

(e) with respect to the Bank Product Obligations, the Administrative Agent, the Collateral Agent, each other Agent, the Lenders, each Affiliate of an Agent or Lender or another financial institution reasonably satisfactory to the Administrative Agent that, in each case, provides Bank Products to a Loan Party (each, a **“Bank Product Provider”**); *provided* that such Affiliate or other financial institution executes and delivers to the Administrative Agent a letter agreement in form and substance reasonably acceptable to the Administrative Agent pursuant to which such Affiliate or other financial institution (x) appoints the Administrative Agent and the Collateral Agent as its agents under the applicable Loan Documents and (y) agrees to be bound by the provisions of Sections 10.03, 11.03 and 11.09, the Intercreditor Agreement and each Security Document as if it were a Lender.

**“Securities Act”** shall mean the Securities Act of 1933, as amended.

**“Security Agreement”** shall mean a Security Agreement substantially in the form of Exhibit M among the Loan Parties and the Collateral Agent for the benefit of the Secured Parties, as the same may be supplemented from time to time by one or more Joinder Agreements, or otherwise.

**“Security Agreement Collateral”** shall mean all property pledged or granted as collateral pursuant to the Security Agreement delivered on the Closing Date or thereafter pursuant to Section 5.10.

**“Security Documents”** shall mean the Security Agreement, each Collateral Rig Mortgage and each other security document or pledge agreement, including the Additional Local Law Security Documents, delivered in accordance with applicable U.S., local or foreign Legal Requirements to grant a valid, enforceable, perfected security interest (with the priority required under the Loan Documents) in any property as collateral for the Secured Obligations, and all UCC or other financing statements or instruments of perfection, in each case to the extent required by this Agreement, the Security Agreement, any Collateral Rig Mortgage or any other such security document or pledge agreement, including the Additional Local Law Security Documents, to be filed or registered with respect to the security interests in property created pursuant to the Security Agreement, any Collateral Rig Mortgage and any other document or instrument, including the Additional Local Law Security Documents, utilized to pledge any property as collateral for the Secured Obligations.

**“Seller”** shall mean Transocean Inc. and its applicable Subsidiaries.

**“Senior Secured Leverage Ratio” shall mean, with respect to any Test Period, the ratio of (a) Consolidated Net Secured Indebtedness as of the last day of such Test Period to (b) Consolidated EBITDA for such Test Period.**

**“Senior Secured Notes”** shall mean (x) Borrower’s 8.625% senior secured second lien notes due 2018, issued pursuant to the Senior Secured Notes Indenture, and (y) Borrower’s 9.50% senior secured second lien notes due November 2, 2020, issued pursuant to the New Senior Secured Notes Indenture, in each case as may be amended, modified and/or supplemented from time to time thereafter in accordance with the terms hereof and thereof (it being understood that no Senior Secured Notes remain outstanding as of the Third Amendment Effective Date).

**“Senior Secured Notes Agent”** shall mean Wilmington Trust, National Association, as trustee and collateral agent under the Senior Secured Notes Documents, together with its successors, assigns or replacements in such capacity or, if the Senior Secured Notes are no longer outstanding, the trustee and collateral agent under any Additional Second Lien Debt.

**“Senior Secured Notes Documents”** shall mean the Senior Secured Notes, the Senior Secured Notes Indenture, the Senior Secured Notes Guarantees and the Senior Secured Notes Security Documents, each as the same may be amended, modified and/or supplemented from time to time in accordance with the terms hereof and thereof.

**“Senior Secured Notes Guarantees”** shall mean the guarantees issued by the Subsidiary Guarantors pursuant to the Senior Secured Notes Indenture.

**“Senior Secured Notes Indenture”** shall mean the Indenture, dated as of October 24, 2012, among Borrower, as issuer, the Subsidiary Guarantors, as guarantors, and the Senior Secured Notes Agent, as trustee thereunder, as in effect on the Closing Date and as the same may be amended, modified or supplemented from time to time thereafter in accordance with the terms hereof and thereof.

**“Senior Secured Notes Security Documents”** shall mean the “Security Documents” as defined in the Senior Secured Notes Indenture.

**“Share Purchase Agreement”** shall mean the Share Purchase Agreement, dated as of September 9, 2012, among Borrower, Parent and the Seller, as such agreement is in effect on the Closing Date (as the same may be amended, supplemented or otherwise modified from time to time after the Closing Date in accordance with the terms of this Agreement).

**“Solvency Certificate”** shall have the meaning assigned to such term in Section 4.01(h).

**“SPC”** shall have the meaning assigned to such term in Section 11.04(h).

**“Specified Equity Sponsor”** shall mean (i) CHP V AIV Pool 1 Ltd., (ii) CHP V AIV Pool 2 Ltd., (iii) CHP V SD Co-invest LP, (iv) LR-Shelf Drilling International, L.P., (v) CHAMP Buyout III L.P. acting through its general partner CHAMP Buyout III GP Limited, (vi) Perpetual Trustee Company Limited as trustee of the CHAMP Buyout III Trust, (vii) Perpetual Corporate Trust Limited as trustee of the CHAMP Buyout III (SWF) Trust, (viii) P.T. Limited as trustee of the CHAMP Buyout III (WW) Trust, and (ix) CHAMP Shelf L.P., acting through its general partner CHAMP Shelf GP Limited.

**“Specified Rig”** shall mean any Rig of any Restricted Subsidiary (other than a Rig that was acquired by Borrower or any Restricted Subsidiary solely with (a) the proceeds of (i) any Equity Interests issued by Borrower to any person (other than any of its Subsidiaries), (ii) any contribution in respect of

the outstanding Equity Interests of Borrower and/or (iii) any Indebtedness (other than any Senior Secured Notes, Additional Second Lien Debt, any Additional Unsecured Debt or Indebtedness incurred under this Agreement or the other Loan Documents) incurred by Borrower or any Restricted Subsidiary from any person (other than Borrower or any of its Subsidiaries), (b) internally generated cash flow of Borrower and its Restricted Subsidiaries and (c) any combination of any of the foregoing).

**“Sponsors”** shall mean, collectively, Castle Harlan, Inc., CHAMP III Management Pty Ltd., and Lime Rock Management LP.

**“Stacked Rigs”** shall mean, subject to clause (B) of the second sentence of the definition of “Excluded Rigs”, the cold-stacked Rigs set forth on Schedule 6.06(b).

**“Stand-Alone Credit Support”** shall mean Indebtedness of Borrower or any Restricted Subsidiary under letters of credit (other than Letters of Credit), bank guarantees (other than Bank Guarantees), performance bonds, bid bonds, customs bonds and similar credit support that supports obligations of Borrower or any Restricted Subsidiary (other than in respect of Indebtedness for borrowed money) incurred in the ordinary course of business.

**“Statutory Reserves”** shall mean, for any Interest Period for any Eurodollar Borrowing, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under regulations issued from time to time (including “Regulation D) by member banks of the United States Federal Reserve System in New York City with deposits exceeding one billion Dollars against “Eurocurrency liabilities” (as such term is used in Regulation D)). Eurodollar Borrowings shall be deemed to constitute Eurodollar liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Lender under Regulation D.

**“Subordinated Indebtedness”** shall mean Indebtedness of any Company that is by its terms subordinated in right of payment to all or any portion of the Secured Obligations.

**“Subsidiary”** shall mean, with respect to any person (the **“parent”**) at any date, (i) any other corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors thereof are, as of such date, owned or held by the parent and/or one or more subsidiaries of the parent, and (ii) any partnership (a) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (b) the only general partners of which are the parent and/or one or more subsidiaries of the parent. Unless the context requires otherwise, **“Subsidiary”** refers to a Subsidiary of Borrower.

**“Subsidiary Guarantor”** shall mean each Wholly Owned Subsidiary of Borrower (other than an Excluded Subsidiary) that is or becomes a party to this Agreement as a guarantor of the Secured Obligations. Notwithstanding anything to the contrary herein, until each of the Existing Egyptian Subsidiaries, the Existing Hungarian Subsidiaries, the Existing Nigerian Subsidiaries and the Existing Indonesian Subsidiary executes a Joinder Agreement and the other documents required by Section 5.16(a), it shall be deemed to be a Subsidiary Guarantor solely for purposes of Article VI subject to compliance with the requirements set forth in Section 5.16.

**“Supplement to Intercreditor Agreement”** shall mean that certain Supplement to Intercreditor Agreement, dated as of the Closing Date, among Borrower, the Subsidiary Guarantors, the Collateral Agent and the Senior Secured Notes Agent substantially in the form of Exhibit O.

**“Synthetic Lease”** shall mean, as to any person, (a) any lease (including leases that may be terminated by the lessee at any time) of any property (i) that is accounted for as an operating lease under GAAP and (ii) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such person is the lessor or (b) (i) a synthetic, off-balance sheet or tax retention lease, or (ii) an agreement for the use or possession of property (including a Sale and Leaseback Transaction), in each case under this clause (b), creating obligations that do not appear on the balance sheet of such person but which, upon the application of any Insolvency Laws to such person, would be characterized as the indebtedness of such person (without regard to accounting treatment).

**“Synthetic Lease Obligations”** shall mean, as to any person, an amount equal to the capitalized amount of the remaining lease payments under any Synthetic Lease that would appear on a balance sheet of such person in accordance with GAAP if such obligations were accounted for as Capital Lease Obligations.

**“Tax Returns”** shall mean all returns, statements, filings, attachments and other documents or certifications filed or required to be filed in respect of Taxes.

**“Taxes”** shall mean any and all present or future taxes, duties, levies, imposts, assessments, fees, deductions, withholdings or other similar charges (including social insurance premiums), whether computed on a separate, consolidated, unitary, combined or other basis and any and all liabilities (including interest, fines, penalties or additions with respect to any of the foregoing) with respect to the foregoing.

**“Termination Date” shall mean the earlier of:**

(a) September 29, 2021, and

(b) the date elected by Borrower, in its sole discretion, by written notice to the Administrative Agent, to the extent (but only to the extent) that each Total Net Leverage Ratio is no greater than 4.00:1.00 on a Pro Forma Basis after giving effect to any deleveraging transaction entered into or projected to be entered into within ten Business Days after the giving of such notice as if such transaction were consummated on the date of such notice; *provided*, that Borrower shall have delivered to the Administrative Agent an Officer’s Certificate of Borrower certifying as to compliance with this clause (b) and containing the calculations (in reasonable detail) required by this clause (b); *provided further*, that (x) if such deleveraging transaction is not consummated within ten Business Days after the giving of such notice and a Total Net Leverage Ratio would be greater than 4.00:1.00 in the absence of such deleveraging transaction, the Termination Date shall be deemed not to have occurred and (y) in any event, the Termination Date shall not be deemed to occur pursuant to this clause (b) for purposes of Section 6.08 until such deleveraging transaction is actually consummated unless each Total Net Leverage Ratio is no greater than 4.00:1.00 without giving effect to such deleveraging transaction.

For purposes of this Agreement, whenever any financial test or financial ratio is to be calculated after the Termination Date and on Pro Forma Basis with Section 6.20, such calculation shall refer to such Section 6.20 without giving effect to any changes thereto pursuant to the terms of the Fifth Amendment.

**“Test Period”** shall mean, at any time, the four consecutive fiscal quarters of Borrower then last ended (in each case taken as one accounting period) and determined as if Borrower was in existence throughout such period.

**“Third Amendment”** shall mean the Third Amendment to Credit Agreement, dated as of June 4, 2018, by and among Borrower, the Subsidiary Guarantors, the Lenders, the Issuing Bank, the Guarantee Bank, the Administrative Agent and the Collateral Agent.

**“Third Amendment Effective Date”** shall mean the date of the Notice of Effectiveness (as defined in the Third Amendment).

**“Third Lien Intercreditor Agreement”** shall mean an intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent, although an intercreditor agreement that subordinates Liens securing Indebtedness of Loan Parties to the Liens securing the Secured Obligations, the Indenture Obligations (as defined in the Second Lien Intercreditor Agreement) and the Pari Passu Payment Lien Obligations (as defined in the Second Lien Intercreditor Agreement) to the same extent that the Second Lien Intercreditor Agreement subordinates the Liens securing the Indenture Obligations (as defined in the Second Lien Intercreditor Agreement) and the Pari Passu Payment Lien Obligations (as defined in the Second Lien Intercreditor Agreement) to the Secured Obligations and is otherwise in form and substance substantially similar to the Second Lien Intercreditor Agreement as in effect on the date of the Third Amendment shall be reasonably satisfactory to the Administrative Agent.

**“TNLR Threshold”** shall mean (a) for any Test Period ending on or prior to December 31, 2019, 5.00:1.00, (b) for any Test Period ending after December 31, 2019 but on or prior to December 31, 2020, 5.00:1.00 and (c) for any Test Period ending after December 31, 2020, 4.00:1.00.

**“Total Net Leverage Ratios”** shall mean the Total Net Leverage Ratio (Borrower) and the Total Net Leverage Ratio (Ultimate Parent).

**“Total Net Leverage Ratio (Borrower)”** shall mean, with respect to any Test Period, the ratio of (i) Consolidated Net Indebtedness as of the last day of such Test Period to (ii) Consolidated EBITDA for such Test Period.

**“Total Net Leverage Ratio (Ultimate Parent)”** shall mean, with respect to any Test Period, the ratio of (i) Consolidated Net Indebtedness (calculated as though references to Borrower, the Subsidiary Guarantors and the Restricted Subsidiaries in the definition of Consolidated Net Indebtedness were instead references to (in the case of Borrower) the Ultimate Parent and (in the case of the Subsidiary Guarantors and the Restricted Subsidiaries) the Ultimate Parent’s Subsidiaries (other than Unrestricted Subsidiaries)) as of the last day of such Test Period to (ii) Consolidated EBITDA (calculated as though references to Borrower, the Subsidiary Guarantors and the Restricted Subsidiaries in the definition of Consolidated EBITDA were instead references to (in the case of Borrower) the Ultimate Parent and (in the case of the Subsidiary Guarantors and the Restricted Subsidiaries) the Ultimate Parent’s Subsidiaries (other than Unrestricted Subsidiaries)) for such Test Period.

**“Transactions”** shall mean, collectively, (a) the execution, delivery and performance of the Loan Documents, the incurrence of any Revolving Loans and the issuance of any Letters of Credit or Bank Guarantees on the Closing Date or the Third Amendment Effective Date, as applicable, (b) the issuance of \$300,000,000 in aggregate principal amount of Additional Unsecured Debt under the Unsecured Notes Indenture on the Third Amendment Effective Date, (c) the repayment in full of, and termination of, the SDAIII Facility Agreement (and the related release and termination of all security interests and liens thereunder) on the Third Amendment Effective Date, and (d) the exercise of each Call Options under and



as defined in the Newbuild Charters as contemplated by Sections 1.5.2.1(ix) and 1.5.2.1(x) of the Third Amendment.

**“Transferred Subsidiary Guarantor”** shall have the meaning assigned to such term in Section 7.09.

**“Transition Services Agreement”** shall have the meaning assigned to such term in the Purchase Agreements.

**“Trust Property”** shall mean (a) the security, powers, rights, titles, benefits and interests (both present and future) constituted by and conferred on the Collateral Agent under or pursuant to the Collateral Rig Mortgages (including, without limitation, the benefits of all covenants, undertakings, representations, warranties and obligations given, made or undertaken to the Collateral Agent in the Collateral Rig Mortgages), (b) all moneys, property and other assets paid or transferred to or vested in the Collateral Agent or any agent of the Collateral Agent whether from any Loan Party or any other person and (c) all money, investments, property and other assets at any time representing or deriving from any of the foregoing, including all interest, income and other sums at any time received or receivable by the Collateral Agent or any agent of the Collateral Agent in respect of the same (or any part thereof).

**“Type”** shall mean, when used in reference to any Revolving Loan or Borrowing, refers to whether the rate of interest on such Revolving Loan, or on the Revolving Loans comprising such Borrowing, is determined by reference to Adjusted LIBOR Rate or the Alternate Base Rate.

**“UCC”** shall mean the Uniform Commercial Code as in effect from time to time (except as otherwise specified) in any applicable state or jurisdiction.

**“UKLA”** shall have the meaning assigned to such term in Section 5.01.

**“Ultimate Parent”** shall mean Shelf Drilling, Ltd., a Cayman Islands exempted company.

**“Ultimate Parent Guaranty”** shall mean that certain Guaranty, dated as of the Third Amendment Effective Date, by the Ultimate Parent in favor of the Administrative Agent, substantially in the form attached hereto as Exhibit P.

**“United States”** and **“U.S.”** shall mean the United States of America.

**“Unrestricted”** shall mean, when referring to cash or Cash Equivalents of Borrower or any Subsidiary Guarantor, that such cash or Cash Equivalents are not Restricted.

**“Unrestricted Subsidiary”** shall mean (a) any Subsidiary of Borrower organized or acquired after the Closing Date that is designated by the Board of Directors, the chief executive officer or the chief financial officer of Borrower as an Unrestricted Subsidiary pursuant to Section 5.15, in each case until such person ceases to be an Unrestricted Subsidiary of Borrower in accordance with Section 5.15 or ceases to be a Subsidiary of Borrower, and (b) any Subsidiary of a Subsidiary that is described in preceding clause (a).

**“Unrestricted Subsidiary EBITDA”** shall mean, as of any date, Consolidated EBITDA, but substituting the “Unrestricted Subsidiaries” for “Borrower and its Restricted Subsidiaries” (or equivalent phrase) in the definition of Consolidated EBITDA and each definition referred to therein.



**“Unrestricted Subsidiary Total Assets”** shall mean, as of any date, the Consolidated Total Assets, but substituting the “Unrestricted Subsidiaries” for “Borrower and its Restricted Subsidiaries” (or equivalent phrase) in the definition of Consolidated Total Assets.

**“Unsecured Notes Indenture”** shall mean that certain Indenture, dated as of February 7, 2018, by and among Borrower as issuer, the Subsidiary Guarantors as guarantors, and Wilmington Trust, National Association, as trustee thereunder, as the same may be amended, restated, modified, supplemented or replaced from time to time in accordance with the terms hereof and thereof.

**“Voting Stock”** shall mean, with respect to any person, any class or classes of Equity Interests pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors of such person.

**“Weighted Average Life to Maturity”** shall mean, when applied to any Indebtedness at any date, the quotient obtained by dividing:

(a) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness multiplied by the amount of such payment; by

(b) the sum of all such payments.

**“Wholly Owned Restricted Subsidiary”** shall mean a Wholly Owned Subsidiary of Borrower that is also a Restricted Subsidiary.

**“Wholly Owned Subsidiary”** shall mean, with respect to any person, a Subsidiary of such person all of the outstanding capital stock or other ownership interests of which (other than (x) directors’ qualifying shares and (y) other shares which are required under the laws of such Subsidiary’s jurisdiction of organization to be held by one or more of the citizens thereof) will at the time be owned by such person and/or by one or more Wholly Owned Subsidiaries of such person.

**“Write-Down and Conversion Powers”** shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

**Section 1.02 Terms Generally.** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The phrase “Material Adverse Effect” shall be deemed to be followed by the phrase “, individually or in the aggregate.” The words “asset” and “property” shall be construed to have the same meaning and effect. The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (a) any definition of or reference to any Loan Document, agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in any Loan Document), (b) any reference herein to any person shall be construed to include such person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (d) all references herein to Articles, Sections, Exhibits and

Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, unless otherwise indicated and (e) any reference to any law or regulation shall (i) include all statutory and regulatory provisions consolidating, amending, replacing or interpreting or supplementing such law or regulation, and (ii) unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time. This Section 1.02 shall apply, *mutatis mutandis*, to all Loan Documents.

**Section 1.03      Accounting Terms; GAAP.** Except as otherwise expressly provided herein, all financial statements to be delivered pursuant to this Agreement shall be prepared in accordance with and all terms of an accounting or financial nature shall be construed and interpreted in accordance with GAAP as in effect from time to time; *provided* that, notwithstanding anything to the contrary contained herein, all financial tests contained herein or in any other Loan Document shall be calculated, in each case, (i) without giving effect to any election under FASB ASC 825 (or any similar accounting principle permitting a person to value its financial liabilities at the fair market value thereof) and (ii) except to the extent expressly set forth in clause (a) of the definition of Consolidated Net Income, without giving effect to the results of operations of all Unrestricted Subsidiaries. If at any time any change in GAAP, any change permitted to be made pursuant to Section 6.14 or any change from GAAP to IFRS pursuant to the last sentence of this Section 1.03 would affect the computation of any financial ratio or other financial test set forth in any Loan Document, and Borrower, the Administrative Agent or the Required Lenders shall so request, the Administrative Agent and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP or to IFRS, as applicable (subject to approval by the Required Lenders and Borrower); *provided* that, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein, and Borrower shall provide to the Administrative Agent and the Lenders within five days after delivery of each certificate or financial report required hereunder that is affected thereby a written statement of a Financial Officer of Borrower setting forth in reasonable detail the differences (including any differences that would affect any calculations relating to the calculation of such financial ratio) that would have resulted if such financial statements had been prepared without giving effect to such change. If Borrower notifies the Administrative Agent that it (or its applicable parent company) is required or desires to report its financial statements under IFRS, then, subject to the approval of the Lenders (not to be unreasonably withheld), all references in the Loan Documents to GAAP shall be deemed to be references to IFRS from the date such approval is obtained and Borrower and the Administrative Agent agree to negotiate in good faith any amendments to the Loan Documents necessary to reflect such change.

**Section 1.04      Treatment of Existing Credit Agreement.** Notwithstanding anything to the contrary contained herein, to the extent Borrower or any of its Restricted Subsidiaries (i) incurred any Indebtedness under Section 6.01(e), (k), (r) or (s) of the Existing Credit Agreement or clause (iii) of the proviso to Section 6.01(n) of the Existing Credit Agreement, (ii) incurred any Liens under Section 6.02(w) of the Existing Credit Agreement, (iii) made any Investments under Sections 6.04(e)(ii), (q), (r), (s) or (t) of the Existing Credit Agreement, (iv) made any dispositions under Sections 6.06(b) or (k) of the Existing Credit Agreement and (v) made or paid any Dividends under Sections 6.08(b), (c) or (h) of the Existing Credit Agreement during the period from November 30, 2012 (or in the case of such clause (c), from and including January 1, 2014) to and including the day immediately preceding the Closing Date, then, in each case, such incurrence or Indebtedness and/or Liens, Investments, dispositions and/or payments of Dividends, as the case may be, shall be deemed to have been incurred or made pursuant to the corresponding Sections under this Agreement (in the case of Section 6.04(t) prior to giving effect to the Second Amendment).

## ARTICLE II THE CREDITS

**Section 2.01     Revolving Commitments.** Subject to the terms and conditions herein set forth, each Lender agrees, severally and not jointly, to make Revolving Loans to Borrower, at any time and from time to time on or after the Closing Date until the earlier of the Revolving Maturity Date and the termination of the Revolving Commitment of such Lender in accordance with the terms hereof, in an aggregate principal amount at any time outstanding that will not result in such Lender's Revolving Exposure exceeding such Lender's Revolving Commitment. Subject to the terms, conditions and limitations set forth herein, Borrower may borrow, pay or prepay and reborrow Revolving Loans.

**Section 2.02     Revolving Loans.** (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their applicable Revolving Commitments; *provided* that the failure of any Lender to make any Revolving Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Revolving Loan required to be made by such other Lender). Any Borrowing shall be in an aggregate principal amount that is (i) an integral multiple of \$500,000 and not less than \$1,000,000 or (ii) equal to the remaining unused balance of the Revolving Commitments.

(b) Subject to Sections 2.11 and 2.12, each Borrowing shall be comprised entirely of ABR Revolving Loans or Eurodollar Revolving Loans as Borrower may request pursuant to Section 2.03. Subject to Section 2.16, each Lender may at its option make any Eurodollar Revolving Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Revolving Loan; *provided* that any exercise of such option shall not affect the obligation of the Lender to make such Revolving Loan and Borrower to repay such Revolving Loan in accordance with the terms of this Agreement. Borrowings of more than one Type may be outstanding at the same time; *provided* that Borrower shall not be entitled to request any Borrowing that, if made, would result in more than 10 Eurodollar Borrowings in the aggregate outstanding hereunder at any one time (or such greater number as may be reasonably acceptable to the Administrative Agent in its sole discretion). For purposes of the foregoing, Borrowings having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Each Lender shall make each Revolving Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to such account in London as the Administrative Agent may designate from time to time not later than 10:00 a.m., London time, and the Administrative Agent shall promptly credit the amounts so received to an account as directed by Borrower in the applicable Borrowing Request or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders within two Business Days.

(d) Unless the Administrative Agent shall have received written notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with Section 2.02(c), and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available, then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, each of such Lender and Borrower

severally agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules or practices on interbank compensation, and (ii) in the case of Borrower, the interest rate applicable to the Revolving Loans comprising such Borrowing. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Revolving Loan as part of such Borrowing for purposes of this Agreement, and Borrower's obligation to repay the Administrative Agent such corresponding amount pursuant to this Section 2.02(d) shall cease. Nothing in this Section 2.02(d) shall be deemed to release any Lender from its obligation to fulfill its applicable Revolving Commitment hereunder or to prejudice any rights that Borrower may have against any Lender as a result of any default by such Lender hereunder.

(e) Notwithstanding any other provision of this Agreement, Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Revolving Maturity Date.

**Section 2.03      Borrowing Procedure.** To request a Revolving Borrowing, Borrower shall hand deliver or transmit by facsimile transmission (or transmit by other electronic transmission if arrangements for doing so have been approved in writing by the Administrative Agent), a duly completed and executed Borrowing Request to the Administrative Agent (i) in the case of a Eurodollar Borrowing, not later than 1:00 p.m., London time, on the third Business Day before the date of the proposed Borrowing (or such later date and time as may be reasonably acceptable to the Administrative Agent) or (ii) in the case of an ABR Borrowing, not later than 11:00 a.m., London time, on the Business Day of the proposed Borrowing (or such later time on such Business Day as may be reasonably acceptable to the Administrative Agent). Each Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

- (a) the aggregate amount of such Borrowing;
- (b) the date of such Borrowing, which shall be a Business Day;
- (c) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;
- (d) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";
- (e) the location and number of Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.02(c); and
- (f) that the applicable conditions set forth in Sections 4.02(b), (c) and (d) are satisfied as of the date of the notice.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section 2.03, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Revolving Loan to be made as part of the requested Borrowing.

**Section 2.04 Evidence of Debt; Repayment of Revolving Loans.** (a) Borrower hereby unconditionally promises to pay to the Administrative Agent, for the account of each Lender, the then unpaid principal amount of each Revolving Loan of such Lender on the Revolving Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of Borrower to such Lender resulting from each Revolving Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Revolving Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to each Lender hereunder, and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to Sections 2.04(b) and (c) shall be *prima facie* evidence (absent manifest error) of the existence and amounts of the obligations therein recorded; *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of Borrower and the other Loan Parties to pay, and perform, the Obligations in accordance with the Loan Documents. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such entries, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

(e) Any Lender by written notice to Borrower (with a copy to the Administrative Agent) may request that Revolving Loans made by it be evidenced by a promissory note. In such event, Borrower shall promptly prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) in the form of Exhibit N. Thereafter, the Revolving Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 11.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

**Section 2.05 Fees.**

(a) Commitment Fee. Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee (a "**Commitment Fee**") at a rate per annum equal to 35% of the Applicable Margin as in effect from time to time for Eurodollar Revolving Loans on the average daily unused amount of the Revolving Commitment of such Lender during the period from and including the Closing Date to but excluding the date on which such Revolving Commitment terminates. Accrued Commitment Fees shall be payable in arrears (i) on the last Business Day of March, June, September and December of each year, commencing on the first such date to occur after the Closing Date, and (ii) on the date on which all of the Revolving Commitments terminate. Commitment Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing Commitment Fees, a Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans, LC Exposure and Bank Guarantee Exposure of such Lender.

(b) Administrative Agent Fees. Borrower agrees to pay to the Administrative Agent, for its own account, the administrative fees set forth in the Agency Fee Letter and such other fees payable



in the amounts and at the times separately agreed upon between Borrower and the Administrative Agent (the “**Administrative Agent Fees**”).

(c) LC Participation Fees. Borrower agrees to pay to (i) the Administrative Agent for the account of each Lender a participation fee (“**LC Participation Fee**”) with respect to its participations in Letters of Credit, which shall accrue at a rate per annum equal to (x) in case of Financial Letters of Credit, the Applicable Margin as in effect from time to time for Eurodollar Revolving Loans, (y) in case of Non-Financial Letters of Credit, 50% of the Applicable Margin as in effect from time to time for Eurodollar Revolving Loans and (z) in the case of Letters of Credit that have been Cash Collateralized, 25% of the Applicable Margin as in effect from time to time for Eurodollar Revolving Loans, in each case, on the average daily amount of such Lender’s LC Exposure (excluding any portion thereof attributable to LC Reimbursement Obligations) during the period from and including the Closing Date to but excluding the later of the date on which such Lender’s Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) the Issuing Bank, the Issuing Bank’s customary charges with respect to the administration, issuance, amendment, negotiation, renewal or extension of any Letter of Credit or processing of drawings thereunder (including any correspondent bank fees and charges). Accrued LC Participation Fees shall be payable in arrears (A) on the last Business Day of March, June, September and December of each year, commencing on the first such date to occur after the Closing Date, and (B) on the date on which all of the Revolving Commitments terminate. Any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this Section 2.05(c) shall be payable within 20 Business Days (or, to the extent not adverse to the interest of any other Lender or the Issuing Bank, such longer period as the Issuing Bank may agree in writing in its sole discretion) after written demand therefor. All LC Participation Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(d) Bank Guarantee Participation Fees. Borrower agrees to pay to (i) the Administrative Agent for the account of each Lender a participation fee (“**Bank Guarantee Participation Fee**”) with respect to its participations in Bank Guarantees, which shall accrue at a rate per annum equal to (x) in case of Financial Bank Guarantees, the Applicable Margin as in effect from time to time for Eurodollar Revolving Loans, (y) in case of Non-Financial Bank Guarantees, 50% of the Applicable Margin as in effect from time to time for Eurodollar Revolving Loans and (z) in the case of Bank Guarantees that have been Cash Collateralized, 25% of the Applicable Margin as in effect from time to time for Eurodollar Revolving Loans, in each case, on the average daily amount of such Lender’s Bank Guarantee Exposure (excluding any portion thereof attributable to Bank Guarantee Reimbursement Obligations) during the period from and including the Closing Date to but excluding the later of the date on which such Lender’s Revolving Commitment terminates and the date on which such Lender ceases to have any Bank Guarantee Exposure, and (ii) the Guarantee Bank, the Guarantee Bank’s customary charges with respect to the administration, issuance, amendment, negotiation, renewal or extension of any Bank Guarantee or processing of drawings thereunder (including any correspondent bank fees and charges). Accrued Bank Guarantee Participation Fees shall be payable in arrears (A) on the last Business Day of March, June, September and December of each year, commencing on the first such date to occur after the Closing Date, and (B) on the date on which all of the Revolving Commitments terminate. Any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Guarantee Bank pursuant to this Section 2.05(d) shall be payable within 20 Business Days (or, to the extent not adverse to the interest of any other Lender or the Guarantee Bank, such longer period as the Guarantee Bank may agree in writing in its sole discretion) after written demand therefor. All Bank Guarantee Participation Fees shall be computed on the basis of a

year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(e) Other Fees. Borrower agrees to pay the Agents, for their own account, fees payable in the amounts and at the times separately agreed upon between Borrower and the applicable Agents.

(f) Payment of Fees. All Fees shall be paid on the dates due, in immediately available funds in Dollars, to the Administrative Agent for distribution, if and as appropriate, among the Lenders, except that Borrower shall pay (i) the Fees provided under Sections 2.05(b) and (e) directly to the applicable Agents and (ii) the Fees provided under clause (ii) of each of Sections 2.05(c) and (d) directly to the Issuing Bank or the Guarantee Bank, as applicable. Once paid, none of the Fees shall be refundable under any circumstances.

**Section 2.06 Interest on Revolving Loans.** (a) Subject to the provisions of Section 2.06(c), the Revolving Loans comprising each ABR Borrowing shall bear interest at a rate per annum equal to the Alternate Base Rate in effect from time to time plus the Applicable Margin in effect from time to time.

(b) Subject to the provisions of Section 2.06(c), the Revolving Loans comprising each Eurodollar Borrowing shall bear interest at a rate per annum equal to the Adjusted LIBOR Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin in effect from time to time during such Interest Period.

(c) Overdue principal and, to the extent permitted by applicable Legal Requirements, overdue interest in respect of each Revolving Loan shall, in each case, bear interest, after as well as before judgment, at a per annum rate equal to 2.0% plus the rate otherwise applicable to such Revolving Loan as provided in Sections 2.06(a) and (b) and all other overdue amounts payable hereunder and under any other Loan Document shall bear interest, after as well as before judgment, at a rate per annum equal to 2.0% plus the rate applicable to ABR Revolving Loans as provided in Section 2.06(a) (in either case, the “**Default Rate**”).

(d) Accrued interest on each Revolving Loan shall be payable in arrears on each Interest Payment Date for such Revolving Loan; *provided* that (i) interest accrued pursuant to Section 2.06(c) (including interest on past due interest) and all interest accrued but unpaid on or after the Revolving Maturity Date shall be payable on demand, (ii) in the event of any repayment or prepayment of any Revolving Loan (other than a prepayment of an ABR Revolving Loan), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Revolving Loan prior to the end of the current Interest Period therefor, accrued interest on such Revolving Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to clause (a) of the Alternate Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day); *provided* that any Revolving Loan that is repaid on the same day on which it is made shall, subject to Section 2.14, bear interest for one day. The applicable Alternate Base Rate or Adjusted LIBOR Rate shall be determined by the Administrative Agent in accordance with the provisions of this Agreement and such determination shall be conclusive absent manifest error. Interest hereunder shall be due and payable in accordance with



the terms hereof before and after judgment, and before and after the commencement of any Insolvency Proceeding.

**Section 2.07 Termination and Reduction of Revolving Commitments.** (a) The Revolving Commitments shall automatically terminate on April 30, 2014 if the Closing Date has not occurred on or before such date. The Revolving Commitments shall automatically terminate on the Revolving Maturity Date.

(b) At its option, Borrower may at any time terminate, or from time to time permanently reduce, the Revolving Commitments; *provided* that (i) each partial reduction of the Revolving Commitments shall be in an amount that is an integral multiple of \$100,000 and not less than \$1,000,000 and (ii) the Revolving Commitments shall not be terminated or reduced pursuant to this clause (b) if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.10, the aggregate amount of Revolving Exposures (in the case of the termination of the Revolving Commitments in their entirety, excluding any LC Exposure in respect of Letters of Credit that have been Cash Collateralized and any Bank Guarantee Exposure in respect of Bank Guarantees that have been Cash Collateralized) would exceed the aggregate amount of Revolving Commitments.

(c) Borrower shall notify the Administrative Agent in writing of any election to terminate or reduce the Revolving Commitments under Section 2.07(b) at least three Business Days prior to the effective date of such termination or reduction (which effective date shall be a Business Day), specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by Borrower pursuant to this Section 2.07(c) shall be irrevocable; *provided* that a notice of termination or reduction of the Revolving Commitments delivered by Borrower in accordance with this Section 2.07(c) may expressly state that such notice is conditioned upon the effectiveness of new credit facilities or similar new Indebtedness, in which case such notice may be revoked by Borrower (by written notice to the Administrative Agent on or prior to noon, New York City time, one Business Day prior to the specified notice effective date) if such condition is not satisfied or not reasonably likely to be satisfied (as reasonably determined by Borrower).

(d) Asset Sales. Not later than the Business Day prior to the date on which Borrower or any Restricted Subsidiary is required to make an offer to repay or prepay (or, if earlier, is otherwise required to repay or prepay) any Senior Secured Notes, Additional Second Lien Debt or Additional Unsecured Debt (or, in each case, any Permitted Refinancing Indebtedness in respect thereof) with the Net Cash Proceeds from any Asset Sale, the Revolving Commitments shall be permanently reduced on such prior Business Day by an amount equal to the lesser of the Revolving Commitments then in effect and the amount that otherwise would be required to be offered to repay or prepay any Senior Secured Notes, Additional Second Lien Debt or Additional Unsecured Debt (or, in each case, any Permitted Refinancing Indebtedness in respect thereof).

(e) Casualty Events. Not later than five Business Days following the receipt of any Net Cash Proceeds from a Casualty Event by any Company, the Revolving Commitments shall be permanently reduced by an amount equal to 100% of such Net Cash Proceeds; *provided* that:

(i) so long as no Event of Default shall then exist or would arise therefrom, the Revolving Commitments shall not be required to be reduced on such date to the extent that Borrower shall have delivered to the Administrative Agent an Officer's Certificate of Borrower on or prior to such date stating that such proceeds are reasonably expected to be used (or committed to be used pursuant to a binding written agreement) to repair, replace or restore any property in respect of which such Net Cash Proceeds were

paid or to reinvest in assets (other than working capital) used or useful in the business of Borrower or any Subsidiary Guarantor, no later than 365 days following the date of receipt of such proceeds (which Officer's Certificate shall set forth the estimates of the proceeds to be so expended) (a "**Casualty Reinvestment Certificate**"); *provided* that if the property subject to such Casualty Event constituted Collateral, then all property purchased or otherwise acquired with the Net Cash Proceeds thereof pursuant to this subsection shall be made subject to the first priority perfected Lien (subject to Permitted Liens) of the applicable Security Documents in favor of the Collateral Agent, for its benefit and for the benefit of the other Secured Parties in accordance with Sections 5.10 and 5.11; and

(ii) if all or any portion of such Net Cash Proceeds shall not be so applied (or committed to be used pursuant to a binding written agreement) within such 365-day period (or if committed to be used during such period are not so used within 180 days following the date of the binding written agreement relating thereto), the Revolving Commitments shall be permanently reduced on the last day of such period by an amount equal to such unused portion of such Net Cash Proceeds.

The Collateral Agent hereby agrees that, in the event any proceeds from a Casualty Event are paid directly to the Collateral Agent by the applicable insurer, the Collateral Agent shall promptly return such cash proceeds to Borrower so long as (i) no Event of Default then exists or would result therefrom and (ii) Borrower shall have delivered to the Administrative Agent a Casualty Reinvestment Certificate related to such Casualty Event and including a certification that no Event of Default then exists or would result therefrom.

(f) Each reduction to, or termination of, the Revolving Commitments pursuant to this Section 2.07 shall be applied to proportionately reduce or terminate, as the case may be, the Revolving Commitment of each Lender.

**Section 2.08 Interest Elections.** (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section 2.08. Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Revolving Loans comprising such Borrowing, and the Revolving Loans comprising each such portion shall be considered a separate Borrowing. Notwithstanding anything to the contrary in this Agreement, Borrower shall not be entitled to request any conversion or continuation that, if made, would result in more than 10 Eurodollar Borrowings in the aggregate outstanding hereunder at any one time (or such greater number as may be acceptable to the Administrative Agent in its sole discretion).

(b) To make an election pursuant to this Section 2.08, Borrower shall hand deliver or transmit by facsimile transmission (or transmit by other electronic transmission if arrangements for doing so have been approved in writing by the Administrative Agent), a duly completed and executed Interest Election Request to the Administrative Agent not later than the time that a Borrowing Request would be required under Section 2.03 if Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each Interest Election Request shall be irrevocable.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, or if outstanding Borrowings are being combined, allocation to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If an Interest Election Request with respect to a Eurodollar Borrowing is not timely delivered prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, the Administrative Agent or the Required Lenders may require, by notice to Borrower, that (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

**Section 2.09      [Reserved].**

**Section 2.10      Optional and Mandatory Prepayments of Revolving Loans.**

(a) Optional Prepayments. Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, subject to the requirements of this Section 2.10; *provided* that each partial prepayment shall be in an amount that is an integral multiple of \$100,000 and not less than \$1,000,000 or, if less, the outstanding principal amount of such Borrowing.

(b) Mandatory Prepayments. (i) In the event of the termination of all the Revolving Commitments, Borrower shall, on the date of such termination, repay or prepay all its outstanding Revolving Borrowings and either (A) replace all outstanding Letters of Credit and Bank Guarantees or (B) Cash Collateralize all outstanding Letters of Credit and Bank Guarantees in accordance with the procedures set forth in Section 2.17(h) and Section 2.18(h), respectively.

(ii) In the event of any partial reduction of the Revolving Commitments, then if the sum of the Revolving Exposures would exceed the aggregate amount of Revolving Commitments after giving effect to such reduction, Borrower shall, on the date of such reduction, *first*, repay or prepay Revolving Borrowings and *second*, replace outstanding Letters of Credit and Bank Guarantees or Cash Collateralize outstanding Letters of Credit and Bank Guarantees in accordance with the procedures set forth in Section 2.17(h) and Section 2.18(h), respectively, in an aggregate amount sufficient to eliminate such excess (after giving effect to any repayment or prepayment of Revolving Borrowings and after giving credit for any Letters of Credit and Bank Guarantees that are currently Cash Collateralized).

(iii) In the event that the sum of all Lenders' Revolving Exposures exceeds the Revolving Commitments then in effect, Borrower shall, without notice or demand, immediately *first*, repay or prepay Revolving Borrowings, and *second*, replace outstanding Letters of Credit and Bank Guarantees or Cash Collateralize outstanding Letters of Credit and Bank Guarantees in accordance with the procedures set forth in Section 2.17(h) and Section 2.18(h), respectively, in an aggregate amount sufficient to eliminate such excess (after giving effect to any repayment or prepayment of Revolving Borrowings and after giving credit for any Letters of Credit and Bank Guarantees that are currently Cash Collateralized).

(iv) In the event that the sum of all Lenders' Revolving Exposures exceeds the amount of Indebtedness permitted under the Senior Secured Notes Document, any Additional Second Lien Debt Document or any Additional Unsecured Debt Document to be incurred by Borrower under this Agreement, Borrower shall, without notice or demand, immediately *first*, repay or prepay Revolving Borrowings, and *second*, replace outstanding Letters of Credit and Bank Guarantees or Cash Collateralize outstanding Letters of Credit and Bank Guarantees in accordance with the procedures set forth in Section 2.17(h) and Section 2.18(h), respectively, in an aggregate amount sufficient to eliminate such excess (after giving effect to any repayment or prepayment of Revolving Borrowings and after giving credit for any Letters of Credit and Bank Guarantees that are currently Cash Collateralized).

(v) (x) If on the date of any Casualty Event an Event of Default exists and is continuing, Borrower shall, on such date, *first*, prepay any outstanding Revolving Borrowings, and *second*, Cash Collateralize (on a pro rata basis) outstanding Letters of Credit and Bank Guarantees in accordance with the procedures set forth in Section 2.17(h) and Section 2.18(h) (after giving effect to any repayment or prepayment of Revolving Borrowings and after giving credit for any Letters of Credit and Bank Guarantees that are currently Cash Collateralized), respectively, in an aggregate amount equal to the Net Cash Proceeds therefrom, and (y) at the time of any reduction of the Revolving Commitments pursuant to Section 2.07(d) or (e), Borrower shall prepay any outstanding Revolving Borrowings to the extent required by the other clauses of this Section 2.10(b).

(vi) In the event that Borrower is required pursuant to Section 4.02(d) to describe in reasonable detail as part of a Borrowing Request Borrower's planned use of the proceeds of the respective Borrowing within 30 days thereafter and such proceeds are not in fact so used by the end of such 30-day period, Borrower shall, on the thirty-first (31<sup>st</sup>) day after such Borrowing, prepay outstanding Revolving Loans in an aggregate amount equal to the amount of such proceeds not so used to the extent the Revolving Loans resulting from such Borrowing have not previously been prepaid by such amount.

(c) Application of Prepayments.

(i) Prior to any optional prepayment hereunder, Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to Section 2.10(c)(iii).

(ii) Amounts to be applied pursuant to this Section 2.10 to the prepayment of Revolving Loans shall be applied, as applicable, first to reduce outstanding ABR Revolving Loans. Any amounts remaining after each such application shall be applied to prepay Eurodollar Revolving Loans.

(iii) Notice of Prepayment. Borrower shall notify the Administrative Agent by written notice of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., London time, three Business Days before the date of prepayment, and (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., London time, one Business Day before the date of prepayment. Each such notice shall be irrevocable. Each such notice shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Such notice to the Lenders may be by electronic communication; *provided* that a notice of prepayment in full of all outstanding Revolving Loans delivered by Borrower in accordance with this Section 2.10(c)(iii), which is accompanied by a notice of termination of all Revolving Commitments delivered pursuant to Section 2.07(c), may expressly state that such notice is conditioned upon the effectiveness of new credit facilities or similar new Indebtedness and which effectiveness will result in the immediate payment in full in cash of all Obligations and the Cash Collateralization of all outstanding Letters of Credit and Bank Guarantees, in which case such notice may be revoked by Borrower (by written notice to the Administrative Agent on or prior to noon, New York City time, one Business Day prior to the specified notice effective date) if such condition is not satisfied or not reasonably likely to be satisfied (as reasonably determined by Borrower) and Borrower shall pay any amounts due under Section 2.13, if any, in connection with any such revocation. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment.

(iv) Each prepayment of a Borrowing shall be applied ratably to the Revolving Loans included in the prepaid Borrowing and otherwise in accordance with this Section 2.10. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.06.

**Section 2.11** Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(i) the Administrative Agent, acting in good faith and in its reasonable discretion, that adequate and reasonable means do not exist for ascertaining the Adjusted LIBOR Rate for such Interest Period; or

(ii) the Administrative Agent is advised in writing by the Required Lenders that the Adjusted LIBOR Rate for such Interest Period will not adequately and fairly reflect the

cost to such Lenders of making or maintaining their Revolving Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give written notice thereof to Borrower and the Lenders as promptly as practicable thereafter and, until the Administrative Agent notifies Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

Notwithstanding anything contained herein to the contrary, in the event that the Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto) that there exists, at such time, a broadly accepted market convention for determining a rate of interest for syndicated loans in the United States in lieu of the Adjusted LIBOR Rate and such determination is reasonably acceptable to Borrower, and the Administrative Agent shall have given notice of such determination to each Lender (it being understood that the Administrative Agent shall have no obligation to make such determination and/or to give such notice), then the Administrative Agent and Borrower shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable. Notwithstanding anything to the contrary in Section 11.02, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Lenders shall have received at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this paragraph (but only to the extent the Adjusted LIBOR Rate for the applicable Interest Period is not available or published at such time on a current basis), (x) no Revolving Loans may be made as, or converted to, Eurodollar Revolving Loans, and (y) any Borrowing Request given by Borrower with respect to Eurodollar Revolving Loans shall be deemed to be a request for an ABR Borrowing.

**Section 2.12      Increased Costs; Change in Legality.** (a) If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against property of, deposits with or for the account of, or credit extended (or participated in) by, any Lender (except any such reserve requirement reflected in the Adjusted LIBOR Rate), the Issuing Bank or the Guarantee Bank;
- (ii) impose on any Lender, the Issuing Bank or the Guarantee Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurodollar Revolving Loans made by such Lender or any Letter of Credit or Bank Guarantee; or
- (iii) subject any Recipient to any Taxes (other than Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Revolving Loan (or of maintaining its obligation to make any such Revolving Loan) or to increase the cost to such Lender, the Issuing Bank, the Guarantee Bank or such Lender's, the Issuing Bank's or the Guarantee Bank's holding company, if any, of participating in, issuing or



maintaining any Letter of Credit or Bank Guarantee (or of maintaining its obligation to participate in or to issue any Letter of Credit or Bank Guarantee) or to reduce the amount of any sum received or receivable by such Lender, the Issuing Bank or the Guarantee Bank hereunder (whether of principal, interest or otherwise), by an amount deemed to be material by such Lender, the Issuing Bank or the Guarantee Bank, in good faith in its reasonable discretion, then Borrower shall, upon the written request of such Lender, the Issuing Bank or the Guarantee Bank, pay to such Lender, the Issuing Bank or the Guarantee Bank, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Bank or the Guarantee Bank, as the case may be, for such additional costs incurred or reduction suffered, it being understood that, to the extent duplicative of the provisions of Section 2.15, this Section 2.12 shall not apply to Taxes. The protection of this Section 2.12 shall be available to each Lender, the Issuing Bank and the Guarantee Bank regardless of any possible contention of the invalidity or inapplicability of the Change in Law that shall have occurred or been imposed.

(b) If any Lender, the Issuing Bank or the Guarantee Bank determines (in good faith in its reasonable discretion) that any Change in Law regarding Capital Requirements has or would have the effect of reducing the rate of return on such Lender's, the Issuing Bank's or the Guarantee Bank's capital or on the capital of such Lender's, the Issuing Bank's or the Guarantee Bank's holding company, if any, as a consequence of this Agreement, the Revolving Commitment of such Lender or the Revolving Loans made by, or the participations in Letters of Credit or Bank Guarantees held by, such Lender, or the Letters of Credit or Bank Guarantees issued by the Issuing Bank or the Guarantee Bank, as the case may be, to a level below that which such Lender, the Issuing Bank, or the Guarantee Bank or such Lender's, the Issuing Bank's or the Guarantee Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's, the Issuing Bank's or the Guarantee Bank's policies and the policies of such Lender's, the Issuing Bank's or the Guarantee Bank's holding company with respect to capital adequacy) by an amount deemed to be material by such Lender, the Issuing Bank or the Guarantee Bank, then from time to time Borrower will pay to such Lender, the Issuing Bank or the Guarantee Bank, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Bank, the Guarantee Bank or such Lender's, the Issuing Bank's or the Guarantee Bank's holding company, for any such reduction suffered.

(c) A certificate of a Lender, the Issuing Bank or the Guarantee Bank setting forth in reasonable detail the basis for its claim of the amount or amounts necessary to compensate such Lender, the Issuing Bank, the Guarantee Bank or their respective holding companies, as the case may be, as specified in Sections 2.12(a) or (b) shall be delivered to Borrower (with a copy to the Administrative Agent) and shall be conclusive and binding absent manifest error. Borrower shall pay such Lender, the Issuing Bank or the Guarantee Bank, as the case may be, the amount shown as due on any such certificate within ten Business Days after receipt thereof.

(d) Failure or delay on the part of any Lender, the Issuing Bank or the Guarantee Bank to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Lender's, the Issuing Bank's or the Guarantee Bank's right to demand such compensation; *provided* that Borrower shall not be required to compensate a Lender, the Issuing Bank or the Guarantee Bank for any increased costs or reductions incurred more than 180 days prior to the date that such Lender, the Issuing Bank or the Guarantee Bank, as the case may be, notifies Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's, the Issuing Bank's or the Guarantee Bank's intention to claim compensation therefor; *provided, further*, that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to indicate the period of retroactive effect thereof.

(e) Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for any Lender to make or maintain any Eurodollar Revolving Loan or to give



effect to its obligations as contemplated hereby with respect to any Eurodollar Revolving Loan, then, by written notice to Borrower and to the Administrative Agent:

(i) such Lender may declare that Eurodollar Revolving Loans will not thereafter (for the duration of such unlawfulness (as determined in good faith by such Lender)) be made by such Lender hereunder (or be continued for additional Interest Periods and ABR Revolving Loans will not thereafter (for such duration) be converted into Eurodollar Revolving Loans), whereupon any request for a Eurodollar Revolving Loan (or to convert an ABR Revolving Loan to a Eurodollar Revolving Loan or to continue a Eurodollar Revolving Loan for an additional Interest Period) shall, as to such Lender only, be deemed a request for an ABR Revolving Loan (or a request to continue an ABR Revolving Loan as such for an additional Interest Period or to convert a Eurodollar Revolving Loan into an ABR Revolving Loan, as the case may be), unless such declaration shall be subsequently withdrawn by such Lender by written notice to Borrower and to the Administrative Agent; and

(ii) such Lender may require that all outstanding Eurodollar Revolving Loans made by it be converted to ABR Revolving Loans, in which event all such Eurodollar Revolving Loans shall be automatically converted to ABR Revolving Loans as of the effective date of such notice as provided in Section 2.12(f).

In the event any Lender shall exercise its rights under clause (i) or (ii) above, all payments and prepayments of principal that would otherwise have been applied to repay the Eurodollar Revolving Loans that would have been made by such Lender or the converted Eurodollar Revolving Loans of such Lender shall instead be applied to repay the ABR Revolving Loans made by such Lender in lieu of, or resulting from the conversion of, such Eurodollar Revolving Loans.

(f) For purposes of Section 2.12(e), a notice to Borrower by any Lender shall be effective as to each Eurodollar Revolving Loan made by such Lender, if lawful, on the last day of the Interest Period then applicable to such Eurodollar Revolving Loan; in all other cases such notice shall be effective on the date of receipt by Borrower.

(g) If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its share of any Credit Extension or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

(i) that Lender shall promptly notify the Administrative Agent and Borrower upon becoming aware of that event; and

(ii) unless such Lender's Revolving Commitment and all related outstanding Obligations have been assigned to an assignee or another of such Lender's offices, branches or affiliates, or such Lender has designated a different lending office for funding or booking its Revolving Loans or issuing Letters of Credit or Bank Guarantees, in each case in accordance with the requirements of Section 2.16 within 60 days after such notice is given by such Lender to the Administrative Agent and Borrower (or such shorter period of time as may be specified by such Lender in the respective notice as the last day of any applicable grace period permitted by applicable law for such Lender to cease being a Lender under this Agreement), such Lender's entire Revolving Commitment shall automatically terminate and Borrower shall, at such time, repay all outstanding Revolving Loans and other outstanding Obligations of such Lender and Cash Collateralize such Lender's participation in any outstanding Letters of Credit and Bank

Guarantees pursuant to arrangements reasonably satisfactory to the Administrative Agent and the applicable Issuing Bank or the Guarantee Bank, as the case may be, pursuant to arrangements reasonably satisfactory to the Administrative Agent and the applicable Issuing Bank or the Guarantee Bank, as the case may be.

**Section 2.13 Breakage Payments.** In the event of (a) the payment or prepayment, whether optional or mandatory, of any principal of any Eurodollar Revolving Loan earlier than the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Revolving Loan earlier than the last day of the Interest Period applicable thereto, to the extent thereof, (c) the failure to borrow, convert, continue or prepay any Revolving Loan on the date specified in any notice delivered pursuant hereto or (d) the assignment of any Eurodollar Revolving Loan earlier than the last day of the Interest Period applicable thereto as a result of a request by Borrower pursuant to Section 2.16, to the extent thereof, then, in any such event, Borrower shall compensate each Lender for the loss, cost and expense attributable to such event (excluding loss of anticipated profits). In the case of a Eurodollar Revolving Loan, such loss, cost or expense to any Lender shall be deemed to include an amount reasonably determined by such Lender in good faith to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Revolving Loan had such event not occurred, at the Adjusted LIBOR Rate that would have been applicable to such Revolving Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Revolving Loan), in excess of (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate which such Lender could bid were it to bid, at the commencement of such period, for Dollar deposits of a comparable amount and period from other banks in the Eurodollar market. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.13 shall be delivered to Borrower (with a copy to the Administrative Agent) and shall be conclusive and binding absent manifest error. Borrower shall pay such Lender the amount shown as due on any such certificate within ten Business Days after receipt thereof.

**Section 2.14 Payments Generally; Pro Rata Treatment; Sharing of Setoffs.** (a) Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees, LC Reimbursement Obligations or Bank Guarantee Reimbursement Obligations, or of amounts payable under Section 2.12, 2.13 or 2.15, or otherwise) on or before the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 1:00 p.m., London time), on the date when due, in immediately available funds, without setoff, deduction or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 2 Swan Lane, London, United Kingdom, EC4R 3BF, Attn: Manager Loans Agency, except payments to be made directly to the Issuing Bank or the Guarantee Bank, as the case may be, as expressly provided herein and except that payments pursuant to Sections 2.12, 2.13, 2.15 and 11.03 shall be made directly to the persons entitled thereto and payments pursuant to other Loan Documents shall be made to the persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, unless specified otherwise, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall

be payable for the period of such extension. All payments under each Loan Document shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, LC Reimbursement Obligations, Bank Guarantee Reimbursement Obligations, interest and fees then due hereunder, such funds shall be applied (i) *first*, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, (ii) *second*, towards payment of principal, LC Reimbursement Obligations and Bank Guarantee Reimbursement Obligations then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal, LC Reimbursement Obligations and Bank Guarantee Reimbursement Obligations then due to such parties, (iii) *third*, towards payment of all other interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of such interest and fees then due to such parties, and (iv) *fourth*, towards payment of all other principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of such principal then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim (including pursuant to Section 11.08) or otherwise (including by exercise of its rights under the Security Documents), obtain payment in respect of any principal of or interest on any of its Revolving Loans, LC Disbursements or Bank Guarantee Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans, LC Disbursements and Bank Guarantee Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans, LC Disbursements and Bank Guarantee Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans, LC Disbursements and Bank Guarantee Disbursements; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this Section 2.14(c) shall not be construed to apply to any payment made by Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Revolving Loans, LC Disbursements or Bank Guarantee Disbursements to any assignee or participant, other than to any Company or any Affiliates thereof (as to which the provisions of this Section 2.14(c) shall apply). Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Legal Requirements, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation. If under applicable Insolvency Law any Secured Party receives a secured claim in lieu of a setoff or counterclaim to which this Section 2.14(c) applies, such Secured Party shall to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights to which the Secured Party is entitled under this Section 2.14(c) to share in the benefits of the recovery of such secured claim.

(d) Unless the Administrative Agent shall have received written notice from Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders, the Issuing Bank or the Guarantee Bank hereunder that Borrower will not make such payment, the Administrative Agent may assume that Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders, the Issuing Bank or the Guarantee Bank, as the case may be, the amount due. In such event, if Borrower has not in fact made such payment, then each of the Lenders, the Issuing Bank or the Guarantee Bank, as the case

may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, the Issuing Bank or the Guarantee Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules or practices on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.02(c), 2.14(d) or 11.03(e), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

**Section 2.15 Taxes.** (a) Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Document shall be made free and clear of and without deduction, reduction or withholding for any and all Taxes except as required by applicable Legal Requirements; *provided* that if Borrower shall be required by applicable Legal Requirements to deduct or withhold any Taxes from such payments, then (i) if such Taxes are Indemnified Taxes, the sum payable shall be increased as necessary so that after making all required deductions (including deductions, reductions or withholdings applicable to additional sums payable under this Section 2.15) the Administrative Agent, any Lender, the Issuing Bank or the Guarantee Bank, as the case may be, receives an amount equal to the sum it would have received had no such deductions, reductions or withholdings been made, (ii) Borrower or the Administrative Agent shall make or cause to be made such deductions, reductions or withholdings and (iii) Borrower or the Administrative Agent shall timely pay or cause to be paid the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Legal Requirements.

(b) In addition, Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Legal Requirements or, at the option of the Administrative Agent, timely reimburse it for the payment of any Other Taxes.

(c) Borrower shall indemnify the Administrative Agent, each Lender, the Issuing Bank and the Guarantee Bank, within ten Business Days after written demand therefor (setting forth in reasonable detail the basis and calculation of such amount), for the full amount of any Indemnified Taxes or Other Taxes payable or paid by the Administrative Agent, such Lender, the Issuing Bank or the Guarantee Bank, as the case may be, on or with respect to any payment by or on account of any obligation of Borrower hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.15) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; *provided* that Borrower shall not be required to compensate the Administrative Agent, any Lender, the Issuing Bank or the Guarantee Bank pursuant to this Section 2.15 for any Indemnified Taxes or Other Taxes incurred more than 180 days prior to the date that the Administrative Agent, such Lender, the Issuing Bank or the Guarantee Bank, as applicable, makes such written demand to the Loan Parties; *provided, further*, that if such Indemnified Taxes or Other Taxes are imposed retroactively, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof. A certificate as to the amount of such payment or liability (setting forth in reasonable detail the calculation of and the basis for such amounts) delivered to Borrower by a Lender, the Issuing Bank or the Guarantee Bank (in each case, with a copy delivered concurrently to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, the Issuing Bank or the Guarantee Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Taxes pursuant to this Section 2.15 and in any event within 30 days following any such payment being due, by or on behalf of Borrower to a Governmental Authority, Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent (which shall include evidence of a wire transfer or other similar payment). If Borrower fails to pay any Indemnified Taxes or Other Taxes when due to the appropriate Governmental Authority or fails to remit to the Administrative Agent the required receipts or other documentary evidence after written request by the Administrative Agent, Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Bank for any incremental Taxes or expenses that may become payable by the Administrative Agent, such Lender or the Issuing Bank, as the case may be, as a result of any such failure.

(e) Each Lender shall severally indemnify the Administrative Agent, within three Business Days after written demand therefor, for (i) any Indemnified Taxes or Other Taxes attributable to such Lender (but only to the extent that Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes or Other Taxes and without limiting the obligation of Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.04(e) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this clause (e).

(f) Any Foreign Lender that is entitled to an exemption from or reduction of withholding Tax under the law of the jurisdiction in which Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement or any other Loan Document shall deliver to Borrower (with a copy to the Administrative Agent), on or prior to the date such Foreign Lender becomes a party to this Agreement and thereafter at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding; *provided* that the completion or execution of such documentation shall not be required if in the Foreign Lender's reasonable judgment such completion or execution would subject such Foreign Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Foreign Lender.

(g) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower or the Administrative Agent, such documentation prescribed by applicable Legal Requirements (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower or the Administrative Agent as may be necessary for Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender



has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment.

(h) If the Administrative Agent or a Lender (or an assignee) determines in its sole discretion that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by Borrower or with respect to which Borrower has paid additional amounts pursuant to this Section 2.15, it shall pay over such refund to Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by Borrower under this Section 2.15 with respect to the Indemnified Taxes or the Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of the Administrative Agent or such Lender (or assignee) and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided, however*, that if the Administrative Agent or such Lender (or assignee) is required to repay all or a portion of such refund to the relevant Governmental Authority, Borrower, upon the request of the Administrative Agent or such Lender (or assignee), shall repay the amount paid over to Borrower that is required to be repaid (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender (or assignee) within seven Business Days after receipt of written notice that the Administrative Agent or such Lender (or assignee) is required to repay such refund (or a portion thereof) to such Governmental Authority. Nothing contained in this Section 2.15(h) shall require the Administrative Agent or any Lender (or assignee) to make available its Tax Returns or any other information which it deems confidential or privileged to Borrower or any other person. Notwithstanding anything to the contrary, in no event will the Administrative Agent or any Lender (or assignee) be required to pay any amount to Borrower the payment of which would place the Administrative Agent or such Lender (or assignee) in a less favorable net after tax position than the Administrative Agent or such Lender (or assignee) would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the additional amounts or indemnification payments with respect to such Taxes had never been paid.

**Section 2.16 Mitigation Obligations; Replacement of Lenders, Issuing Bank or Guarantee Bank.** (a) Mitigation of Obligations. (w) If any Lender, the Issuing Bank or the Guarantee Bank requests compensation under Section 2.12(a) or (b) or delivers a notice pursuant to Section 2.12(e) or (g), (x) if Borrower is required to pay any additional amount to any Lender, the Issuing Bank, the Guarantee Bank or any Governmental Authority for the account of any Lender, the Issuing Bank or the Guarantee Bank pursuant to Section 2.15, (y) if the Issuing Bank is not obligated to issue a Letter of Credit pursuant to Section 2.17(k) or (z) if the Guarantee Bank is not obligated to issue a Bank Guarantee pursuant to Section 2.18(k), then such Lender, the Issuing Bank or the Guarantee Bank, as the case may be, shall use reasonable efforts to designate a different lending office for funding or booking its Revolving Loans or issuing Letters of Credit or Bank Guarantees, as the case may be, hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, the Issuing Bank or the Guarantee Bank, such designation or assignment (i) would eliminate or reduce materially amounts payable pursuant to Section 2.12(a), 2.12(b) or 2.15, as the case may be, in the future, or eliminate the matters described in Section 2.12(e), Section 2.12(g), Section 2.17(k) or Section 2.18(k), as the case may be, (ii) would not subject such Lender, the Issuing Bank or the Guarantee Bank to any unreimbursed cost or expense, (iii) would not require such Lender, the Issuing Bank or the Guarantee Bank to take any action materially inconsistent with its internal policies or legal or regulatory restrictions, and (iv) would not otherwise be disadvantageous in any material respect to such Lender, the Issuing Bank or the Guarantee Bank. Borrower shall pay all reasonable out-of-pocket costs and expenses incurred by any Lender, the Issuing Bank or the Guarantee Bank in connection with any such designation or assignment. A certificate setting forth

such costs and expenses submitted by such Lender, the Issuing Bank or the Guarantee Bank, as case may be, to the Administrative Agent shall be conclusive absent manifest error.

(b) Replacement of Lenders. In the event (i) any Lender, the Issuing Bank or the Guarantee Bank delivers a certificate requesting compensation pursuant to Section 2.12(a) or (b), (ii) any Lender, the Issuing Bank or the Guarantee Bank delivers a notice described in Section 2.12(e) or (g), (iii) Borrower is required to pay any additional amount to any Lender, the Issuing Bank, the Guarantee Bank or any Governmental Authority on account of any Lender, the Issuing Bank or the Guarantee Bank pursuant to Section 2.15, (iv) any Lender refuses to consent to any amendment, waiver or other modification of any Loan Document requested by Borrower that requires the consent of 100% of the Lenders or 100% of all affected Lenders and, which, in each case, has been consented to by the Required Lenders, (v) any Lender becomes a Defaulting Lender or (vi) any Lender, the Issuing Bank or the Guarantee Bank defaults in its respective obligations to make or fund Revolving Loans, issue Letters of Credit or Bank Guarantees, or make or fund LC Disbursements or Bank Guarantee Disbursements, as the case may be, or other extensions of credit hereunder, Borrower may, at its sole expense and effort (including with respect to the processing and recordation fee referred to in Section 11.04(b)), upon notice to such Lender, the Issuing Bank or the Guarantee Bank, as the case may be, and the Administrative Agent, require such Lender, the Issuing Bank or the Guarantee Bank, as the case may be, to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in Section 11.04), all of its interests, rights and obligations under this Agreement to an assignee which shall assume such assigned obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that (w) except in the case of clause (iv) above if the effect of such amendment, waiver or other modification of the applicable Loan Document would cure all Defaults then ongoing, no Default shall have occurred and be continuing, (x) such assignment shall not conflict with any applicable Legal Requirement, (y) Borrower shall have received the prior written consent of the Administrative Agent (only to the extent that the Administrative Agent's consent would otherwise be required pursuant to Section 11.04(b)), which consent shall not unreasonably be withheld or delayed, and (z) Borrower or such assignee shall have paid to the affected Lender, the Issuing Bank or the Guarantee Bank, as the case may be, in immediately available funds an amount equal to the sum of the principal of and interest and any prepayment premium or penalty (if any) accrued to the date of such payment on the outstanding Revolving Loans, LC Disbursements or Bank Guarantee Disbursements of such Lender, the Issuing Bank or the Guarantee Bank, respectively, affected by such assignment plus all Fees (including, if applicable, any fee payable by Borrower under Section 2.05(d)) and other amounts owing to or accrued for the account of such Lender, the Issuing Bank or the Guarantee Bank hereunder (including any amounts under Sections 2.12 and 2.13); *provided, further*, that if prior to any such transfer and assignment the circumstances or event that resulted in such Lender's, the Issuing Bank's or the Guarantee Bank's claim for compensation under Section 2.12(a) or (b) or notice under Section 2.12(e) or (g) or the amounts paid pursuant to Section 2.15, as the case may be, cease to cause such Lender, the Issuing Bank or the Guarantee Bank to suffer increased costs or reductions in amounts received or receivable or reduction in return on capital, or cease to have the consequences specified in Section 2.12(e) or (g), or cease to result in amounts being payable under Section 2.15, as the case may be (including as a result of any action taken by such Lender, the Issuing Bank or the Guarantee Bank pursuant to Section 2.16(a)), or if such Lender, the Issuing Bank or the Guarantee Bank shall waive its right to claim further compensation under Section 2.12(a) or (b) in respect of such circumstances or event or shall withdraw its notice under Section 2.12(e) or (g) or shall waive its right to further payments under Section 2.15 in respect of such circumstances or event or shall consent to the proposed amendment, waiver, consent or other modification, as the case may be, then such Lender, the Issuing Bank or the Guarantee Bank, as the case may be, shall not thereafter be required to make any such transfer and assignment hereunder. Each Lender, the Issuing Bank and the Guarantee Bank hereby grants to the Administrative Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Lender, the Issuing Bank and the Guarantee Bank as assignor, any Assignment and Acceptance



necessary to effectuate any assignment of such Lender's, the Issuing Bank's or the Guarantee Bank's interests hereunder in the circumstances contemplated by this Section 2.16(b).

(c) Defaulting Lenders. Anything contained herein to the contrary notwithstanding, in the event that any Lender becomes a Defaulting Lender, then (i) during any Default Period with respect to such Defaulting Lender, such Defaulting Lender shall be deemed not to be a "Lender," and the amount of such Defaulting Lender's Revolving Commitment and Revolving Loans shall be excluded for purposes of voting, and the calculation of voting, on any matters (including the granting of any consents or waivers) with respect to any of the Loan Documents; (ii) to the extent permitted by applicable Legal Requirements, until such time as the Default Excess with respect to such Defaulting Lender shall have been reduced to zero, any voluntary prepayment of the Revolving Loans pursuant to Section 2.10(a) shall, if Borrower or Administrative Agent so directs at the time of making such voluntary prepayment, be applied to the Revolving Loans and the Revolving Exposure of other Lenders in accordance with Section 2.10(c) as if such Defaulting Lender had no Revolving Loans outstanding and the Revolving Exposure of such Defaulting Lender were zero; (iii) the amount of such Defaulting Lender's Revolving Commitment, Revolving Loans, LC Exposure and Bank Guarantee Exposure shall be excluded for purposes of calculating the Commitment Fee payable to Lenders pursuant to Section 2.05(a) in respect of any day during any Default Period with respect to such Defaulting Lender, and such Defaulting Lender shall not be entitled to receive any Commitment Fee pursuant to Section 2.05(a) with respect to such Defaulting Lender's Revolving Commitment in respect of any Default Period with respect to such Defaulting Lender; (iv) the Revolving Exposure of all Lenders as at any date of determination shall be calculated as if the non-Defaulting Lenders had funded, *pro rata* based on their respective Revolving Commitments, all Defaulted Revolving Loans of such Defaulting Lender; and (v) so long as any Lender is a Defaulting Lender, (I) the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit and (II) the Guarantee Bank shall not be required to issue, amend or increase any Bank Guarantee, unless the Issuing Bank or the Guarantee Bank, as the case may be, is satisfied that the related exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or Cash Collateral will be provided by Borrower in a manner reasonably satisfactory to the Issuing Bank or the Guarantee Bank, as the case may be (and Defaulting Lenders shall not participate therein). In the event that each of the Administrative Agent, Borrower, the Issuing Bank and the Guarantee Bank agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Revolving Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Commitment and (x) on such date, such Lender shall purchase at par such of the Revolving Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Revolving Loans in accordance with its Revolving Commitment and (y) on such date or as promptly as possible thereafter, the Issuing Bank and Guarantee Bank shall return any Cash Collateral that was provided by Borrower pursuant to clause (v)(II) and shall amend or replace each Letter of Credit and Bank Guarantee that was issued while such Lender was a Defaulting Lender to include such Lender as a participant therein up to the amount of its Pro Rata Percentage thereof (and the participations of the other Lenders therein shall be reduced proportionately) and, until each such Letter of Credit and Bank Guarantee is so amended or replaced, such Lender shall purchase a participation interest in each other Lender's LC Exposure and Bank Guarantee Exposure therein pursuant to arrangements reasonably satisfactory to the Administrative Agent, the Issuing Bank and the Guarantee Bank so that all Non-Defaulting Lenders participate in each such Letter of Credit and Bank Guarantee according to their respective Pro Rata Percentages. Any amounts paid by Borrower for the account of a Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity payments or other amounts) may, in lieu of being paid or distributed to such Defaulting Lender, be retained by the Administrative Agent in a segregated non-interest bearing account and, subject to any Legal Requirements, be applied at such time or times as may be determined by the Administrative Agent (A) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder, (B) second, to fund any amounts owing by such Defaulting Lender under any Letter of Credit

or Bank Guarantee, (C) third, to the funding of any Revolving Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent, (D) fourth, if so determined by the Administrative Agent, held in such account as cash collateral for future funding obligations of the Defaulting Lender under this Agreement, (E) fifth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement, (F) sixth, so long as no Default has occurred and is continuing, to the payment of any amounts owing to Borrower as a result of any judgment of a court of competent jurisdiction obtained by Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement, and (G) seventh, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if such payment is (x) a prepayment of the principal amount of any Revolving Loans or repayments of LC Reimbursement Obligations or Bank Guarantee Reimbursement Obligations in respect of which a Defaulting Lender has funded its participation obligations and (y) made at a time when the conditions set forth in Section 4.02 are satisfied or waived, such payment shall be applied solely to prepay the Revolving Loans of, and LC Reimbursement Obligations and Bank Guarantee Obligations owed to, all Non-Defaulting Lenders pro rata prior to being applied to the prepayment of any Revolving Loans, LC Reimbursement Obligations or Bank Guarantee Reimbursement Obligations owed to, any Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to the immediately preceding sentence shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

For purposes of this Agreement, (i) "**Funding Default**" means, with respect to any Defaulting Lender, the occurrence of any of the events set forth in the definition of "Defaulting Lender," (ii) "**Defaulted Loan**" means the Revolving Loans of a Defaulting Lender, (iii) "**Default Period**" means, with respect to any Defaulting Lender, the period commencing on the date of the applicable Funding Default and ending on the earliest of the following dates: (a) the date on which all Revolving Commitments are cancelled or terminated and/or the Obligations are declared or become immediately due and payable, (b) with respect to any Funding Default (other than any such Funding Default arising pursuant to clause (e) of the definition of "Defaulting Lender"), the date on which (1) the Default Excess with respect to such Defaulting Lender shall have been reduced to zero (whether by the funding by such Defaulting Lender of any Defaulted Loans of such Defaulting Lender or by the non-pro rata application of any voluntary or mandatory prepayments of the Revolving Loans in accordance with the terms hereof or any combination thereof) and (2) such Defaulting Lender shall have delivered to Borrower and the Administrative Agent a written reaffirmation of its intention to honor its obligations under this Agreement with respect to its Revolving Commitment, and (c) the date on which Borrower, the Administrative Agent and the Required Lenders waive all Funding Defaults of such Defaulting Lender in writing, and (iv) "**Default Excess**" means, with respect to any Defaulting Lender, the excess, if any, of such Defaulting Lender's Pro Rata Percentage of the aggregate outstanding principal amount of Revolving Loans of all Lenders (calculated as if all Defaulting Lenders (including such Defaulting Lender) had funded all of their respective Defaulted Loans) over the aggregate outstanding principal amount of Loans of such Defaulting Lender.

(d) No amount of the Revolving Commitment of any Lender shall be increased or otherwise affected, and, except as otherwise expressly provided in Section 2.16(c), performance by Borrower of its obligations under this Agreement and the other Loan Documents shall not be excused or otherwise modified, as a result of any Funding Default or the operation of Section 2.16(c). Subject to Section 11.22, the rights and remedies against a Defaulting Lender under Section 2.16(c) are in addition to other rights and remedies that Borrower may have against such Defaulting Lender with respect to any

Funding Default and that the Administrative Agent or any Lender may have against such Defaulting Lender with respect to any Funding Default.

**Section 2.17      Letters of Credit.** (a) General. Subject to the terms and conditions set forth herein, Borrower may request the Issuing Bank, and the Issuing Bank agrees, to issue Letters of Credit for its own account or the account of a Subsidiary or Permitted Joint Venture of Borrower (it being understood and agreed that a Letter of Credit may only be issued for the account of Subsidiaries and/or Permitted Joint Ventures that are not Subsidiary Guarantors to the extent Borrower and/or its Restricted Subsidiaries have available capacity to make an Investment in such Subsidiary or Permitted Joint Venture pursuant to Section 6.04 and the issuance of any such Letter of Credit has been deemed to be an Investment made under Section 6.04) in a form reasonably acceptable to Borrower, the Administrative Agent and the Issuing Bank (with the Administrative Agent's and the Issuing Bank's agreement not to be unreasonably withheld or delayed), at any time and from time to time during the Revolving Availability Period (*provided* that Borrower shall be a co-applicant, and be jointly and severally liable, with respect to each Letter of Credit issued for the account of such Subsidiary or Permitted Joint Venture). The Issuing Bank shall have no obligation to issue, and Borrower shall not request the issuance of, any Letter of Credit at any time if after giving effect to such issuance, the total Revolving Exposure of all Lenders would exceed the total Revolving Commitments of all Lenders. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by Borrower to, or entered into by Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Request for Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit or the amendment, renewal or extension of an outstanding Letter of Credit, Borrower shall hand deliver or transmit by facsimile transmission (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) an LC Request to the Issuing Bank and the Administrative Agent not later than 1:00 p.m., London time, on the third Business Day preceding the requested date of issuance, amendment, renewal or extension (or such later date and time as is acceptable to the Issuing Bank). A Letter of Credit shall be issued, amended, renewed or extended only if (and, upon issuance, amendment, renewal or extension of each Letter of Credit, Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, (i) the total Revolving Exposures shall not exceed the total Revolving Commitments, and (ii) the conditions set forth in Article IV in respect of such issuance, amendment, renewal or extension shall have been satisfied. Unless the Issuing Bank shall agree otherwise, no Letter of Credit shall be in an initial amount less than \$10,000.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earliest of (x) the expiry date requested by the applicant for the Letter of Credit, (y) the date which is one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (z) the Letter of Credit Expiration Date; *provided* that this Section 2.17(c) shall not prevent the Issuing Bank from agreeing that a Letter of Credit will automatically be extended for one or more successive periods not to exceed one year each (and, in any case, not to extend beyond the Letter of Credit Expiration Date) unless the Issuing Bank elects not to extend for any such additional period.

(d) Participations. (i) Each Letter of Credit will be issued by the Issuing Bank on behalf of the Lenders and each Lender will participate in each Letter of Credit in an amount equal to such Lender's Pro Rata Percentage of the aggregate amount available to be drawn under such Letter of Credit. The obligations of the Lenders under and in respect of each Letter of Credit are several, and the failure

by any Lender to perform its obligations hereunder or under any Letter of Credit shall not affect the obligations of Borrower toward any other party hereto nor shall any other such party be liable for the failure by such Lender to perform its obligations hereunder or under any Letter of Credit.

(ii) Each Letter of Credit shall be executed and delivered by the Issuing Bank in the name and on behalf of, and as attorney-in-fact for, each Lender and the Issuing Bank shall act under each Letter of Credit, and each Letter of Credit shall expressly provide that the Issuing Bank shall act, as the agent of each Lender to (a) receive drafts, other demands for payment and other documents presented by the beneficiary under such Letter of Credit, (b) determine whether such drafts, demands and documents are in compliance with the terms and conditions of such Letter of Credit and (c) notify such Lender and Borrower that a valid drawing has been made and the date that the related LC Disbursement is to be made; *provided* that the Issuing Bank shall have no obligation or liability for any LC Disbursement under such Letter of Credit, and each Letter of Credit shall expressly so provide. Each Lender hereby irrevocably appoints and designates the Issuing Bank as its attorney-in-fact, acting through any duly authorized officer of the Issuing Bank, to execute and deliver in the name and on behalf of such Lender each Letter of Credit to be issued by such Lender hereunder. Promptly upon the request of the Issuing Bank, each Lender will furnish to the Issuing Bank such powers of attorney or other evidence as any beneficiary of any Letter of Credit may reasonably request in order to demonstrate that the Issuing Bank has the power to act as attorney-in-fact for such Lender to execute and deliver such Letter of Credit.

(iii) Each Lender represents and warrants that each Letter of Credit constitutes a legal, valid and binding obligation of such Lender enforceable in accordance with its terms, *provided* that the enforceability thereof is subject to general principles of equity and to Insolvency Laws and similar laws affecting the enforcement of creditors' rights generally.

(e) Reimbursement.

(i) If any Lender shall make any LC Disbursement in respect of a Letter of Credit, Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent, for the account of such Lender, an amount equal to such LC Disbursement not later than 2:00 p.m., London time, on or before the Business Day immediately following the date on which Borrower shall have received notice of such LC Disbursement.

(ii) Unless Borrower shall have notified the Administrative Agent and such Issuing Bank prior to 10:00 a.m. (London time) on the Business Day immediately following the date on which Borrower shall have received notice of such LC Disbursement that Borrower intends to reimburse such LC Disbursement with funds other than the proceeds of Revolving Loans, Borrower shall be deemed to have given a timely Borrowing Request to the Administrative Agent requesting the Lenders to make ABR Revolving Loans on the date on which such LC Disbursement is required to be repaid in accordance with preceding clause (i) in an amount equal to the amount of such honored drawing (and the Administrative Agent shall promptly notify each Lender of such deemed request), and subject to satisfaction or waiver of the conditions specified in Section 4.02 (other than Section 4.02(a)), the Lenders shall, on such reimbursement date, make ABR Revolving Loans in the amount of such honored drawing, the proceeds of

which shall be applied directly by the Administrative Agent to reimburse the Lenders for the amount of such honored drawing.

(iii) If such LC Disbursement is not reimbursed when due as a result of Borrower's failure to reimburse such LC Disbursement with its own funds or to satisfy the conditions specified in Section 4.02 (other than Section 4.02(a)), Borrower agrees to pay interest on such LC Disbursement, for each day from and including the date such amount is disbursed in accordance with preceding clause (i) to but excluding the date such amount is paid, to the Administrative Agent for the account each Lender at the Default Rate.

(iv) If Borrower fails to reimburse any LC Disbursement when due, whether with its own funds or with a borrowing of Revolving Loans, then the Administrative Agent will promptly notify the applicable Issuing Bank and each other Lender of the applicable LC Disbursement, the payment then due from Borrower in respect thereof and, in the case of a Lender, such Lender's Pro Rata Percentage thereof. Within three Business Days following receipt of such notice, each Lender will pay to the Administrative Agent its Pro Rata Percentage of the payment then due from Borrower in the same manner as provided in Section 2.02 with respect to Revolving Loans made by such Lender (and Section 2.02 will apply, *mutatis mutandis*, to the payment obligations of the Lenders), and the Administrative Agent will promptly pay to the applicable Issuing Bank the amounts so received by it from the Lenders. Any payment made by a Lender pursuant to this clause (iv) to reimburse an Issuing Bank for any LC Disbursement (other than the funding of an ABR Revolving Loan as contemplated above) will not constitute a Loan and will not relieve Borrower of its obligations to reimburse such LC Disbursement.

(f) Obligations Absolute. The LC Reimbursement Obligation of Borrower as provided in Section 2.17(e) shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein; (ii) any draft or other document presented under a Letter of Credit being proved to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iii) payment by any Lender under a Letter of Credit against presentation of a draft or other document that fails to comply with the terms of such Letter of Credit; (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.17, constitute a legal or equitable discharge of, or provide a right of setoff against, the obligations of Borrower hereunder; (v) the fact that a Default shall have occurred and be continuing; (vi) any material adverse change in the condition (financial or otherwise), results of operations, assets, liabilities (contingent or otherwise), business or prospects of any Company; or (vii) any other fact, circumstance or event whatsoever. None of the Agents, the Lenders, the Issuing Bank or any of their Affiliates shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; *provided* that the foregoing shall not be construed to excuse the Issuing Bank from liability to Borrower to the extent of any direct damages (as opposed to consequential, exemplary, special, punitive or other indirect damages, claims in respect of which are hereby waived by Borrower to the extent permitted by applicable Legal Requirements) suffered by



Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as determined by a court of competent jurisdiction in a final and non-appealable decision) with respect to such a determination, the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its reasonable discretion, either accept and direct payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and direct payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly give written notice to the Administrative Agent, the Lenders and Borrower of such demand for payment and whether the Issuing Bank has directed or will direct the Lenders to make an LC Disbursement thereunder; *provided* that any failure to give or delay in giving such notice shall not relieve Borrower of its LC Reimbursement Obligation to the Lenders with respect to any such LC Disbursement (other than with respect to the timing of such LC Reimbursement Obligation set forth in Section 2.17(e)).

(h) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that Borrower receives notice from the Administrative Agent or the Required Lenders demanding Cash Collateral pursuant to this Section 2.17(h), Borrower shall provide Cash Collateral within one Business Day thereafter; *provided*, that the obligation to provide such Cash Collateral shall become immediately due, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to Borrower described in clause (g) or (h) of Section 8.01. Cash Collateral shall be applied by the Collateral Agent to reimburse the Lenders for LC Disbursements for which they have not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of outstanding LC Reimbursement Obligations or, if the maturity of the Revolving Loans has been accelerated, be applied to satisfy other Obligations of Borrower in accordance with Article IX. If Borrower is required to provide an amount of Cash Collateral hereunder as a result of the occurrence of an Event of Default, such amount *plus* any accrued interest with respect to such amounts (to the extent not applied as aforesaid) shall, subject to Article IX if applicable, be returned to Borrower within five Business Days after all Events of Default have been cured or waived.

(i) Additional Issuing Banks. The Administrative Agent or Borrower may, at any time and from time to time, designate one or more additional financial institutions reasonably acceptable to the other to act as an issuing bank under the terms of this Agreement. Any person designated as an issuing bank pursuant to this Section 2.17(i) shall be deemed to be the Issuing Bank with respect to Letters of Credit issued or to be issued by it, and all references herein and in the other Loan Documents to the term "Issuing Bank" shall, with respect to such Letters of Credit, be deemed to refer to such person in its capacity as Issuing Bank, as the context shall require.

(j) Resignation or Removal of the Issuing Bank. The Issuing Bank may resign as Issuing Bank hereunder at any time upon at least 30 days' prior written notice to the Lenders, the Administrative Agent and Borrower; *provided* that, if there is only one Issuing Bank hereunder at such time, such resignation shall not become effective until a successor Issuing Bank reasonably satisfactory to Borrower shall have replaced the Issuing Bank. The Issuing Bank may be replaced at any time by written agreement among Borrower, the Administrative Agent and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank or any such

additional Issuing Bank. At the time any such resignation or replacement shall become effective, Borrower shall pay all unpaid fees and other amounts accrued for the account of the replaced Issuing Bank pursuant to Section 2.05(c). From and after the effective date of any such resignation or replacement or addition, as applicable, (i) the successor or additional Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein and in the other Loan Documents to the term “Issuing Bank” shall be deemed to refer to such successor or such addition or to any previous Issuing Bank, or to such successor or such addition and all previous Issuing Banks, as the context shall require. After the resignation or replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit. If at any time there is more than one Issuing Bank hereunder, Borrower may, in its discretion, select which Issuing Bank is to issue any particular Letter of Credit.

(k) Other. The Issuing Bank shall be under no obligation to issue any Letter of Credit if:

(i) any Order of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any Legal Requirement applicable to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Bank in good faith deems material to it; or

(ii) the issuance of such Letter of Credit would violate one or more policies of general application of the Issuing Bank.

(l) The Issuing Bank shall be under no obligation to amend, renew or extend any Letter of Credit if (A) the Issuing Bank would have no obligation at such time to issue such Letter of Credit in its amended, renewed or extended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment, renewal or extension to such Letter of Credit.

**Section 2.18 Bank Guarantees.** (a) General. Subject to the terms and conditions set forth herein, Borrower may request the Guarantee Bank, and the Guarantee Bank agrees, to issue Bank Guarantees for its own account or the account of a Subsidiary of Borrower (it being understood and agreed that a Bank Guarantee may only be issued for the account of Subsidiaries and/or Permitted Joint Ventures that are not Subsidiary Guarantors to the extent Borrower and/or its Restricted Subsidiaries have available capacity to make an Investment in such Subsidiary or Permitted Joint Venture pursuant to Section 6.04 and the issuance of any such Bank Guarantee has been deemed to be an Investment made under Section 6.04) in a form reasonably acceptable to Borrower, the Administrative Agent and the Guarantee Bank (with the Administrative Agent’s and the Guarantee Bank’s agreement not to be unreasonably withheld or delayed), at any time and from time to time during the Revolving Availability Period (*provided* that Borrower shall be a co-applicant, and be jointly and severally liable, with respect to each Bank Guarantee issued for the account of such Subsidiary). The Guarantee Bank shall have no obligation to issue, and Borrower



shall not request the issuance of, any Bank Guarantee at any time if after giving effect to such issuance, the total Revolving Exposure of all Lenders would exceed the total Revolving Commitments of all Lenders. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of bank guarantee application or other agreement submitted by Borrower to, or entered into by Borrower with, the Guarantee Bank relating to any Bank Guarantee, the terms and conditions of this Agreement shall control.

(b) Request for Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Bank Guarantee or the amendment, renewal or extension of an outstanding Bank Guarantee, Borrower shall hand deliver or transmit by facsimile transmission (or transmit by electronic communication, if arrangements for doing so have been approved by the Guarantee Bank) a Bank Guarantee Request to the Guarantee Bank and the Administrative Agent not later than 1:00 p.m., London time, on the third Business Day preceding the requested date of issuance, amendment, renewal or extension (or such later date and time as is acceptable to the Guarantee Bank). A Bank Guarantee shall be issued, amended, renewed or extended only if (and, upon issuance, amendment, renewal or extension of each Bank Guarantee, Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, (i) the total Revolving Exposures shall not exceed the total Revolving Commitments, and (ii) the conditions set forth in Article IV in respect of such issuance, amendment, renewal or extension shall have been satisfied. Unless the Guarantee Bank shall agree otherwise, no Bank Guarantee shall be in an initial amount less than \$10,000.

(c) Expiration Date. Each Bank Guarantee shall expire at or prior to the close of business on the earlier of (x) the Bank Guarantee Expiration Date and (y) the expiry date requested by the applicant for the Bank Guarantee.

(d) Participations. (i) Each Bank Guarantee will be issued by the Guarantee Bank on behalf of the Lenders and each Lender will participate in each Bank Guarantee in an amount equal to such Lender's Pro Rata Percentage of the aggregate amount available to be drawn under such Bank Guarantee. The obligations of the Lenders under and in respect of each Bank Guarantee are several, and the failure by any Lender to perform its obligations hereunder or under any Bank Guarantee shall not affect the obligations of Borrower toward any other party hereto nor shall any other such party be liable for the failure by such Lender to perform its obligations hereunder or under any Bank Guarantee.

(ii) Each Bank Guarantee shall be executed and delivered by the Guarantee Bank in the name and on behalf of, and as attorney-in-fact for, each Lender and the Guarantee Bank shall act under each Bank Guarantee, and each Bank Guarantee shall expressly provide that the Guarantee Bank shall act, as the agent of each Lender to (a) receive drafts, other demands for payment and other documents presented by the beneficiary under such Bank Guarantee, (b) determine whether such drafts, demands and documents are in compliance with the terms and conditions of such Bank Guarantee and (c) notify such Lender and Borrower that a valid drawing has been made and the date that the related Bank Guarantee Disbursement is to be made; *provided* that the Guarantee Bank shall have no obligation or liability for any Bank Guarantee Disbursement under such Bank Guarantee, and each Bank Guarantee shall expressly so provide. Each Lender hereby irrevocably appoints and designates the Guarantee Bank as its attorney-in-fact, acting through any duly authorized officer of the Guarantee Bank, to execute and deliver in the name and on behalf of such Lender each Bank Guarantee to be issued by such Guarantee Bank hereunder. Promptly upon the request of the Guarantee Bank, each Lender will furnish to the Guarantee Bank such powers of attorney or other evidence as any beneficiary of any Bank Guarantee may reasonably request in order to demonstrate

that the Guarantee Bank has the power to act as attorney-in-fact for such Lender to execute and deliver such Bank Guarantee.

(iii) Each Lender represents and warrants that each Bank Guarantee constitutes a legal, valid and binding obligation of such Lender enforceable in accordance with its terms, *provided* that the enforceability thereof is subject to general principles of equity and to Insolvency Laws and similar laws affecting the enforcement of creditors' rights generally.

(e) Reimbursement.

(i) If any Lender shall make any Bank Guarantee Disbursement in respect of a Bank Guarantee, Borrower shall reimburse such Bank Guarantee Disbursement by paying to the Administrative Agent, for the account of such Lender, an amount equal to such Bank Guarantee Disbursement not later than 2:00 p.m., London time, on or before the Business Day immediately following the date on which Borrower shall have received notice of such Bank Guarantee Disbursement.

(ii) Unless Borrower shall have notified the Administrative Agent and such Guarantee Bank prior to 10:00 a.m. (London time) on the Business Day immediately following the date on which Borrower shall have received notice of such Bank Guarantee Disbursement that Borrower intends to reimburse such Bank Guarantee Disbursement with funds other than the proceeds of Revolving Loans, Borrower shall be deemed to have given a timely Borrowing Request to the Administrative Agent requesting the Lenders to make ABR Revolving Loans on the date on which such Bank Guarantee Disbursement is required to be repaid in accordance with preceding clause (i) in an amount equal to the amount of such honored drawing (and the Administrative Agent shall promptly notify each Lender of such deemed request), and subject to satisfaction or waiver of the conditions specified in Section 4.02 (other than Section 4.02(a)), the Lenders shall, on such reimbursement date, make ABR Revolving Loans in the amount of such honored drawing, the proceeds of which shall be applied directly by the Administrative Agent to reimburse the Lenders for the amount of such honored drawing.

(iii) If such Bank Guarantee Disbursement is not reimbursed when due as a result of Borrower's failure to reimburse such Bank Guarantee Disbursement from its own funds or to satisfy the conditions specified in Section 4.02 (other than Section 4.02(a)), Borrower agrees to pay interest on such Bank Guarantee Disbursement, for each day from and including the date such amount is disbursed in accordance with preceding clause (i) to but excluding the date such amount is paid, to the Administrative Agent for the account each Lender at the Default Rate.

(iv) If Borrower fails to reimburse any Bank Guarantee Disbursement when due, whether with its own funds or with a borrowing of Revolving Loans, then the Administrative Agent will promptly notify the applicable Guarantee Bank and each other Lender of the applicable Bank Guarantee Disbursement, the payment then due from Borrower in respect thereof and, in the case of a Lender, such Lender's Pro Rata Percentage thereof. Within 3 Business Days following receipt of such notice, each Lender will pay to the Administrative Agent its Pro Rata Percentage of the payment then due from Borrower in the same manner as provided in Section 2.02 with respect to Revolving Loans made by such Lender (and Section 2.02 will apply, *mutatis mutandis*, to the payment obligations of the Lenders), and the Administrative Agent will promptly

pay to the applicable Guarantee Bank the amounts so received by it from the Lenders. Any payment made by a Lender pursuant to this clause (iv) to reimburse a Guarantee Bank for any Bank Guarantee Disbursement (other than the funding of an ABR Revolving Loan as contemplated above) will not constitute a Loan and will not relieve Borrower of its obligations to reimburse such Bank Guarantee Disbursement.

(f) Obligations Absolute. The Bank Guarantee Reimbursement Obligation of Borrower as provided in Section 2.18(e) shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Bank Guarantee or this Agreement, or any term or provision therein; (ii) any draft or other document presented under a Bank Guarantee being proved to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iii) payment by any Lender under a Bank Guarantee against presentation of a draft or other document that fails to comply with the terms of such Bank Guarantee; (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.18, constitute a legal or equitable discharge of, or provide a right of setoff against, the obligations of Borrower hereunder; (v) the fact that a Default shall have occurred and be continuing; (vi) any material adverse change in the condition (financial or otherwise), results of operations, assets, liabilities (contingent or otherwise), business or prospects of any Company; or (vii) any other fact, circumstance or event whatsoever. None of the Agents, the Lenders, the Guarantee Bank or any of their Affiliates shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Bank Guarantee or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Bank Guarantee (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Guarantee Bank; *provided* that the foregoing shall not be construed to excuse the Guarantee Bank from liability to Borrower to the extent of any direct damages (as opposed to consequential, exemplary, special, punitive or other indirect damages, claims in respect of which are hereby waived by Borrower to the extent permitted by applicable Legal Requirements) suffered by Borrower that are caused by the Guarantee Bank's failure to exercise care when determining whether drafts and other documents presented under a Bank Guarantee comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Guarantee Bank (as determined by a court of competent jurisdiction in a final and non-appealable decision) with respect to such a determination, the Guarantee Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Bank Guarantee, the Guarantee Bank may, in its reasonable discretion, either accept and direct payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and direct payment upon such documents if such documents are not in strict compliance with the terms of such Bank Guarantee.

(g) Disbursement Procedures. The Guarantee Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Bank Guarantee. The Guarantee Bank shall promptly give written notice to the Administrative Agent, the Lenders and Borrower of such demand for payment and whether the Guarantee Bank has directed or will direct the Lenders to make a Bank Guarantee Disbursement thereunder; *provided* that any failure to give or delay in giving such notice shall not relieve Borrower of its Bank Guarantee Reimbursement

Obligation to the Lenders with respect to any such Bank Guarantee Disbursement (other than with respect to the timing of such Bank Guarantee Reimbursement Obligation set forth in Section 2.18(e)).

(h) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that Borrower receives notice from the Administrative Agent or the Required Lenders demanding Cash Collateral pursuant to this Section 2.18(h), Borrower shall provide Cash Collateral within one Business Day thereafter; *provided*, that the obligation to provide such Cash Collateral shall become immediately due, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to Borrower described in clause (g) or (h) of Section 8.01. Cash Collateral shall be applied by the Collateral Agent to reimburse the Lenders for Bank Guarantee Disbursements for which they have not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of outstanding Bank Guarantee Reimbursement Obligations or, if the maturity of the Revolving Loans has been accelerated, be applied to satisfy other Obligations of Borrower in accordance with Article IX. If Borrower is required to provide an amount of Cash Collateral hereunder as a result of the occurrence of an Event of Default, such amount *plus* any accrued interest with respect to such amounts (to the extent not applied as aforesaid) shall, subject to Article IX if applicable, be returned to Borrower within five Business Days after all Events of Default have been cured or waived.

(i) Additional Guarantee Banks. The Administrative Agent or Borrower may, at any time and from time to time, designate one or more additional financial institutions reasonably acceptable to the other to act as a guarantee bank under the terms of this Agreement. Any person designated as a guarantee bank pursuant to this Section 2.18(i) shall be deemed to be the Guarantee Bank with respect to Bank Guarantees issued or to be issued by it, and all references herein and in the other Loan Documents to the term “Guarantee Bank” shall, with respect to such Bank Guarantee, be deemed to refer to such person in its capacity as Guarantee Bank, as the context shall require.

(j) Resignation or Removal of the Guarantee Bank. The Guarantee Bank may resign as Guarantee Bank hereunder at any time upon at least 30 days’ prior written notice to the Lenders, the Administrative Agent and Borrower; *provided* that, if there is only one Guarantee Bank hereunder at such time, such resignation shall not become effective until a successor Guarantee Bank reasonably satisfactory to Borrower shall have replaced the Guarantee Bank. The Guarantee Bank may be replaced at any time by written agreement among Borrower, the Administrative Agent and the successor Guarantee Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Guarantee Bank or any such additional Guarantee Bank. At the time any such resignation or replacement shall become effective, Borrower shall pay all unpaid fees and other amounts accrued for the account of the replaced Guarantee Bank pursuant to Section 2.05(c). From and after the effective date of any such resignation or replacement or addition, as applicable, (i) the successor or additional Guarantee Bank shall have all the rights and obligations of the Guarantee Bank under this Agreement with respect to Bank Guarantees to be issued by it thereafter and (ii) references herein and in the other Loan Documents to the term “Guarantee Bank” shall be deemed to refer to such successor or such addition or to any previous Guarantee Bank, or to such successor or such addition and all previous Guarantee Banks, as the context shall require. After the resignation or replacement of a Guarantee Bank hereunder, the replaced Guarantee Bank shall remain a party hereto and shall continue to have all the rights and obligations of a Guarantee Bank under this Agreement with respect to Bank Guarantees issued by it prior to such resignation or replacement, but shall not be required to issue additional Bank Guarantees. If at any time there is more than one Guarantee Bank hereunder, Borrower may, in its discretion, select which Guarantee Bank is to issue any particular Bank Guarantee.

(k) Other. The Guarantee Bank shall be under no obligation to issue any Bank Guarantee if:

(i) any Order of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Guarantee Bank from issuing such Bank Guarantee, or any Legal Requirement applicable to the Guarantee Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Guarantee Bank shall prohibit, or request that the Guarantee Bank refrain from, the issuance of bank guarantees generally or such Bank Guarantee in particular or shall impose upon the Guarantee Bank with respect to such Bank Guarantee any restriction, reserve or capital requirement (for which the Guarantee Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Guarantee Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Guarantee Bank in good faith deems material to it; or

(ii) the issuance of such Bank Guarantee would violate one or more policies of general application of the Guarantee Bank.

(l) The Guarantee Bank shall be under no obligation to amend, renew or extend any Bank Guarantee if (A) the Guarantee Bank would have no obligation at such time to issue such Bank Guarantee in its amended, renewed or extended form under the terms hereof, or (B) the beneficiary of such Bank Guarantee does not accept the proposed amendment, renewal or extension to such Bank Guarantee.

#### **Section 2.19      Incremental Facility.**

(a) Borrower may request, at any time and from time to time after the ~~Third Amendment~~ Effective Termination Date (but no more than two times in the aggregate), that one or more Lenders provide Incremental Revolving Commitments under this Section 2.19; *provided* that:

(1) (x) the aggregate principal amount of all Incremental Revolving Commitments pursuant to this Section 2.19 shall not exceed \$75,000,000 and (y) the aggregate principal amount of any requested Incremental Revolving Commitments shall be in a minimum amount of \$10,000,000 (or such lower amount that represents all remaining availability pursuant to this Section 2.19);

(2) (x) no Default shall have occurred and be continuing or would occur after immediately giving effect to such Incremental Revolving Commitments and the application of any proceeds therefrom that are incurred on the date as of which such Incremental Revolving Commitments became effective and (y) all of the representations and warranties set forth herein and in the other Loan Documents shall be true and correct in all material respects on and as of the effective date of such Incremental Revolving Commitments with the same effect as though made on and as of such date (it being understood and agreed that any representation or warranty that expressly relates to an earlier date shall be true and correct in all material respects as of such earlier date);

(3) (x) Borrower shall be in compliance, on a Pro Forma Basis, with Section 6.20 for the most recently ended Test Period for which financial statements have been delivered to the Administrative Agent pursuant to Section 5.01(a) or (b), as applicable (and, for this purpose, assuming that the full amount of the commitments under such Incremental Revolving Commitments have been incurred), and (y) the aggregate Collateral Rig Market Values included in the most recently received valuations by the Lenders pursuant to the Third Amendment or Section 5.19 of this Agreement (less the Collateral Rig Market Values in respect of any



Designated Collateral Rigs sold (other than to Borrower or a Subsidiary Guarantor) since the receipt of such valuations) shall be not less than 140% of the aggregate amount of the Revolving Commitments including all Incremental Revolving Commitments being obtained;

(4) each Incremental Revolving Commitment provided pursuant to this Section 2.19, and all Revolving Loans, Letters of Credit and Bank Guarantees made or issued pursuant thereto, (I) shall be effected through an increase in the then existing Revolving Commitments and shall be part of the same tranche of Revolving Commitments and Revolving Loans, (II) shall have the same maturity date as, and shall not require any commitment reduction that is not otherwise applicable to, the Revolving Commitments and Revolving Loans then in effect or outstanding, and (III) shall have the same Applicable Margins, Commitment Fee, LC Participation Fee and Bank Guarantee Participation Fee as are applicable to the Revolving Commitments, Revolving Loans, Letters of Credit and Bank Guarantees then in effect or outstanding;

(5) Borrower shall have delivered to the Administrative Agent an Officer's Certificate of Borrower certifying that the conditions set forth in this Section 2.19 have been satisfied and demonstrating, in reasonable detail, the calculations required by preceding clause (3); and

(6) any Incremental Revolving Commitments (and all Credit Extensions pursuant thereto) shall be guaranteed by the Guarantors and the Ultimate Parent and secured by the Collateral on a *pari passu* basis with the Revolving Loans.

(b) Any request under this Section 2.19 shall be submitted by Borrower in writing to the Administrative Agent (which shall promptly forward copies to the Lenders); *provided* that each such notice shall specify the date on which Borrower proposes that the Incremental Revolving Commitments shall be effective, which shall be a date not less than five Business Days after the date on which such notice is delivered to the Administrative Agent. Borrower may also specify any fees offered to those Lenders (the "**Incremental Lenders**") (including, subject to clause (c) below, any New Lenders) that agree to provide Incremental Revolving Commitments), which fees may be variable based upon the amount of the Incremental Revolving Commitments provided by any such Lender. No Lender shall have any obligation, express or implied, to offer to provide any Incremental Revolving Commitments. No Lender which declines to provide any Incremental Revolving Commitments may be replaced with respect to its existing Revolving Commitment as a result thereof without such Lender's consent.

(c) Each Incremental Lender shall as soon as reasonably practicable specify in writing the amount of Incremental Revolving Commitments that it is willing to offer (*provided* that any Lender not so responding within five Business Days (or such shorter period as may be specified by the Administrative Agent) shall be deemed to have declined such a request). Borrower may accept some or all of the offered amounts or, to the extent Borrower does not receive sufficient offers from existing Lenders to provide Incremental Revolving Commitments, in the amount requested by Borrower on economic terms acceptable to Borrower, designate new lenders that are reasonably acceptable to the Administrative Agent as additional Lenders hereunder in accordance with this Section 2.19 (each such new lender being a "**New Lender**"), which New Lenders may provide all or a portion of the requested Incremental Revolving Commitments. The Administrative Agent, in connection with Borrower, shall have discretion to adjust the allocation of any Incremental Revolving Commitments among Incremental Lenders and New Lenders.

(d) Subject to the foregoing, any Incremental Revolving Commitments requested by Borrower shall be effective upon (A) delivery to the Administrative Agent of each of the following documents: (i) an originally executed copy of a joinder agreement to this Agreement signed by a duly



authorized officer of each New Lender; (ii) a notice to the Incremental Lenders and New Lenders, in form and substance reasonably acceptable to the Administrative Agent, signed by a Financial Officer of Borrower; (iii) the Officer's Certificate of Borrower referred to in Section 2.19(a)(5), in form and substance reasonably acceptable to the Administrative Agent; (iv) to the extent requested by any New Lender or Incremental Lender, executed notes issued by Borrower to evidence the extensions of credit pursuant to the respective Incremental Revolving Commitments; (v) an amendment (an "**Incremental Loan Amendment**") to this Agreement and, as appropriate, the other Loan Documents, executed by Borrower, each other applicable Loan Party, each Incremental Lender (if any), each New Lender (if any) and the Administrative Agent, which Incremental Loan Amendment may be in the form of an amendment and restatement of this Agreement and the other applicable Loan Documents; and (vi) to the extent reasonably requested by the Administrative Agent, any good standing certificates (if available), Officer's Certificates and any other certificates, documents and/or opinions of counsel that the Administrative Agent shall reasonably request, in form and substance substantially consistent with those delivered pursuant to Section 4.01 on the Closing Date, (B) satisfaction on the effective date of the Incremental Loan Amendment of (x) each of the conditions specified in Section 4.02 (it being understood that all references to "the date of such Credit Extension" or similar language in Section 4.02 shall be deemed to refer to the effective date of the Incremental Loan Amendment), and (y) such other conditions as the parties thereto shall agree, and (C) in the event that any Letter of Credit or Bank Guarantee is then outstanding, the amendment or replacement of each such Letter of Credit and Bank Guarantee to include as a participant therein each Incremental Lender (if any) and New Lender (if any) such that all Lenders participate in each such Letter of Credit and Bank Guarantee in accordance with their respective Pro Rata Percentages after giving effect to the Incremental Revolving Commitments. Notwithstanding anything to the contrary in Section 11.02, the Administrative Agent is expressly permitted, without the consent of the other Lenders, to amend the Loan Documents to the extent necessary or appropriate in the reasonable opinion of the Administrative Agent and Borrower to give effect to any Incremental Revolving Commitments pursuant to this Section 2.19 (including, without limitation, to include the Incremental Lenders and the New Lenders and the related Incremental Revolving Commitments in any determination of the Required Lenders).

(e) Upon each increase in the Revolving Commitments pursuant to this Section 2.19, if, on the date of such increase, there are any Revolving Loans outstanding, such Revolving Loans shall on or prior to the effectiveness of such Incremental Revolving Commitments be prepaid from the proceeds of additional Revolving Loans made hereunder (reflecting such increase in Revolving Commitments), which prepayment shall be accompanied by accrued interest on the Revolving Loans being prepaid and any costs incurred by any Lender in accordance with Section 2.13. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES**

Each Loan Party represents and warrants to the Administrative Agent, the Collateral Agent, the Issuing Bank, the Guarantee Bank and each of the Lenders that:

**Section 3.01      Organization; Powers.** Each Company (a) is duly organized and validly existing under the laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority to carry on its business as now conducted and (c) is qualified, licensed and in good standing to do business in every jurisdiction where such qualification is required (including qualification as a foreign maritime entity in such jurisdiction where such

qualification is required for ownership of a Rig), except where the failure to so qualify, be licensed or be in good standing could not reasonably be expected to result in a Material Adverse Effect.

**Section 3.02      Authorization; Enforceability; Perfected Liens.** (a) The Transactions to be entered into by each Loan Party are within such Loan Party's powers and have been duly authorized by all necessary corporate or other organizational action on the part of each such Loan Party. This Agreement has been duly executed and delivered by each Loan Party and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, except as the enforceability hereof and thereof may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) Except as otherwise expressly permitted under this Agreement or under any other Loan Document, the provisions of the Security Documents, together with such filings and other actions required to be taken hereby or by the applicable Security Documents, are or, on the Third Amendment Effective Date, will be effective to create in favor of the Collateral Agent for the benefit of the Secured Parties a legal, valid and enforceable first priority Lien (subject to Permitted Liens but, in the case of Permitted Lien pursuant to Section 6.02(u), subject to any Intercreditor Agreement) on all right, title and interest of each Loan Party in the Collateral described therein.

**Section 3.03      No Conflicts; No Default.** The Transactions (a) do not require any consent, exemption, authorization or approval of, registration or filing with, or any other action by, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect, (ii) filings necessary or required by the Security Documents to create, perfect or maintain the perfection or priority of the Liens created by the Security Documents and (iii) consents, approvals, exemptions, authorizations, registrations, filings, permits or actions the failure of which to obtain or perform could not reasonably be expected to result in a Material Adverse Effect, (b) do not require any approval of any Loan Party's interest holders or any consent, exemption, authorization, approval or any other action by any person under any Material Agreement of any Company, except (i) such as have been obtained or made and are in full force and effect and (ii) consents, approvals, exemptions, authorizations or actions the failure of which to obtain or perform could not reasonably be expected to result in a Material Adverse Effect, (c) will not violate the Organizational Documents of any Company, (d) will not violate or result in a default or require any consent or approval under any indenture, instrument, agreement, or other document binding upon any Company or its property or to which any Company or its property is subject, or give rise to a right thereunder to require any payment to be made by any Company, except for violations, defaults or the creation of such rights that could not reasonably be expected to result in a Material Adverse Effect, (e) will not violate any Legal Requirement except for violations that could not reasonably be expected to result in a Material Adverse Effect, and (f) will not result in the creation or imposition of (or the obligation to create or impose) any Lien on any property of any Company, except Liens created by the Security Documents and, subject to the terms of the Intercreditor Agreement, the Permitted Liens under Section 6.02(u). No Default has occurred and is continuing.

**Section 3.04      Financial Statements; Projections.** (a) Borrower has heretofore delivered to the Administrative Agent (i) the consolidated balance sheets and related statements of income, stockholders' equity and cash flows of each of the Ultimate Parent and Borrower for the fiscal years ended December 31, 2015 and December 31, 2016, and of the Ultimate Parent for the fiscal year ended December 31, 2017, audited by and accompanied by the unqualified opinion of

PricewaterhouseCoopers and (ii) the unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Ultimate Parent for the fiscal quarter ended March 31, 2018. Such financial statements and all financial statements delivered (or to be delivered) pursuant to Sections 5.01(a) and (b) have been (or will be) prepared in accordance with GAAP consistently applied throughout the applicable period covered (except as otherwise set forth in Section 5.01 or permitted by Section 1.03), respectively, thereby and present fairly and accurately in all material respects the consolidated financial condition and results of operations and cash flows of each of the Ultimate Parent and its Subsidiaries (in the case of consolidated financial statements of the Ultimate Parent) and Borrower and its Subsidiaries (in the case of consolidated financial statements of Borrower) as of the dates and for the periods to which they relate (subject, in the case of unaudited interim financial statements, to normal year-end audit adjustments and the absence of footnotes). Except for (i) liabilities permitted by this Agreement that, in the case of liabilities permitted by Section 6.01(b), could not reasonably be expected to have a Material Adverse Effect or (ii) as set forth in such financial statements, there are no material liabilities of any Company of any kind, whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances which could reasonably be expected to result in such a material liability and that, in any such case, are (or would be) required to be disclosed in financial statements in accordance with GAAP.

(b) Borrower has heretofore delivered to the Administrative Agent the forecasts of financial performance of Ultimate Parent and its Subsidiaries for the fiscal years 2018 – 2021 (the “**Projections**”). The Projections have been prepared in good faith by (or on behalf of) Borrower and based upon (i) the assumptions stated therein (which assumptions are believed by Borrower on the date of preparation and on the Closing Date to be reasonable), and (ii) the best information available to Borrower as of the date of preparation, it being understood by the Lenders that projections by their nature are inherently uncertain and no assurances are being given that the results reflected in such Projections will be achieved and actual results may differ from projections and such differences may be material.

(c) Since December 31, 2012, there has been no event, change, development, circumstance or occurrence that has had, or could reasonably be expected to result in, a Material Adverse Effect.

**Section 3.05 Property.** (a) Each Company has good title to, or valid leasehold interests in, all its property material to its business, free and clear of all Liens except for Permitted Liens and other irregularities or deficiencies in title that, individually or in the aggregate, do not interfere in any material respect with the ability of the Companies, taken as a whole, to conduct their business. The property of the Companies, taken as a whole, (i) is in good operating order, condition and repair (ordinary wear and tear and obsolescence excepted) and (ii) constitutes all the material property which is required for the business and operations of the Companies as presently conducted.

(b) Each Company owns or has rights to use all of its property and all rights with respect to any of the foregoing necessary for each Company's business as currently conducted, except to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect. The use by each Company of its property and all such rights with respect to the foregoing do not infringe on the rights or other interests of any person, other than any infringement that could not reasonably be expected to result in a Material Adverse Effect. No claim has been made and remains outstanding that any Company's use of any of its property does or may violate the rights of any third party that has had, or could reasonably be expected to result in, a Material Adverse Effect. The present uses of the Real Property and the current operations of each Company's business do not violate any provision of any applicable building codes, subdivision regulations, fire regulations, health regulations or

building and zoning by-laws in any way where such use could reasonably be expected to result in a Material Adverse Effect.

(c) Except for exceptions to the following that could not reasonably be expected to result in a Material Adverse Effect, there is no pending or threatened condemnation or eminent domain proceeding with respect to, or that could affect, any of the Real Property of any of the Companies.

**Section 3.06 Intellectual Property.** Each Company owns or is licensed or otherwise has rights to use, free and clear of all Liens (other than Permitted Liens), all patents and patent applications, trademarks, trade names, service marks, copyrights, domain names and applications for registration thereof, and technology, trade secrets, proprietary information, inventions, know-how and processes, in each case necessary for the conduct of its business as currently conducted (the “**Intellectual Property**”), except for those the failure to own or license which could not reasonably be expected to result in a Material Adverse Effect.

**Section 3.07 Equity Interests and Subsidiaries.** (a) Schedule 3.07(a) sets forth a list of (i) (w) Borrower and each Subsidiary of Borrower and its jurisdiction of incorporation or organization as of the Third Amendment Effective Date, (x) each Subsidiary Guarantor as of the Third Amendment Effective Date, (y) each Immaterial Subsidiary as of the Third Amendment Effective Date and (z) each Unrestricted Subsidiary as of the Third Amendment Effective Date and (ii) the number of each class of its Equity Interests authorized, and the number outstanding, on the Third Amendment Effective Date and the number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights on the Third Amendment Effective Date. All Subsidiaries of Borrower as of the Third Amendment Effective Date are Restricted Subsidiaries other than as set forth on Schedule 3.07(a). All Equity Interests of each Company are duly and validly issued and are fully paid and non-assessable, and, other than the Equity Interests of Borrower or as disclosed on Schedule 3.07(a) or as otherwise permitted by this Agreement, are owned by Borrower, directly or indirectly, through Restricted Subsidiaries. Each Loan Party is the record and beneficial owner of, and has good and marketable title to, the Equity Interests pledged by (or purporting to be pledged by) it under the Security Documents, free of any and all Liens, rights or claims of other persons (other than Liens granted to, and rights and claims held by, Loan Parties), except (i) the security interest created by the Security Documents, (ii) subject to the Intercreditor Agreement, the security interests permitted by Section 6.02(u) and (iii) any Permitted Liens that arise by operation of applicable Legal Requirements and are not voluntarily granted, and, as of the Third Amendment Effective Date, there are no outstanding warrants, options or other rights (including derivatives) to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any such Equity Interests (or any economic or voting interests therein).

(b) No consent that has not been obtained (and which remains in full force and effect) of any person, including any general or limited partner, any other member or manager of a limited liability company, any shareholder, any other trust beneficiary or derivative counterparty, is necessary in connection with the creation, perfection or first priority status (or the maintenance thereof) of the security interest of the Collateral Agent in any Equity Interests pledged to the Collateral Agent under the Security Documents or the exercise by the Collateral Agent or any Lender of the voting or other rights provided for in the Security Documents or the exercise of remedies in respect of such Equity Interests.

**Section 3.08 Litigation; Compliance with Legal Requirements.** (a) There are no actions, suits, claims, disputes or proceedings at law or in equity by or before any Governmental Authority now pending or, to the knowledge of any Loan Party, threatened against or affecting any Company or any business, property or rights of any Company (i) that purport to affect or involve

any Loan Document or (ii) that have resulted, or as to which there is a reasonable possibility of an adverse determination and that could reasonably be expected to result, in a Material Adverse Effect.

(b) No Loan Party nor any of its Subsidiaries is in violation of any applicable laws, rules, regulations, executive orders, or codes (including Environmental Laws) that could reasonably be expected to result in a Material Adverse Effect.

**Section 3.09** **Agreements.** No Company is a party to any agreement, instrument or other document or subject to any corporate or other constitutional restriction, or any restriction under its Organizational Documents, that has resulted, or could reasonably be expected to result, in a Material Adverse Effect.

**Section 3.10** **Federal Reserve Regulations.** (a) No Company is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing, buying or carrying Margin Stock.

(b) No part of the proceeds of any Credit Extension will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the regulations of the Board, including Regulation T, U or X. The pledge of the Investment Property pursuant to the Security Agreement does not violate such regulations.

**Section 3.11** **Investment Company Act, etc.** No Company is (a) an “investment company” or a company “controlled” by an “investment company,” as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended, or (b) subject to regulation under any Legal Requirement (other than Regulation X) that limits its ability to incur, create, assume or permit to exist Indebtedness or grant any Contingent Obligation in respect of Indebtedness.

**Section 3.12** **Use of Proceeds.**

(a) Borrower will not use the proceeds of the Revolving Loans other than (i) to effect the Refinancing and to pay the fees and expenses related to the Transactions or (ii) for the general corporate purposes and working capital of Borrower and its Restricted Subsidiaries, including to cash collateralize Stand-Alone Credit Support and to make Investments in Permitted Joint Ventures to the extent permitted hereunder.

(b) Borrower will not issue the Letters of Credit and Bank Guarantees other than to support payment or performance obligations incurred by Borrower, its Subsidiaries or its Permitted Joint Ventures in the ordinary course of business or for general corporate purposes (excluding, *however*, obligations in respect of any Senior Secured Notes, Additional Second Lien Debt, Additional Unsecured Debt, other term debt for borrowed money, Subordinated Indebtedness and, in each case, Permitted Refinancing Indebtedness in respect thereof, and Equity Interests).

**Section 3.13** **Taxes.** Each Company has (a) timely filed or caused to be timely filed all Tax Returns required to have been filed by it and all such Tax Returns are true and correct in all respects and (b) duly and timely paid or caused to be duly and timely paid all Taxes (whether or not shown on any Tax Return) due and payable by it and all assessments received by it, except in each case (i) with respect to Taxes that are being contested in good faith by appropriate proceedings and for which such Company has set aside on its books adequate reserves in



accordance with GAAP or (ii) to the extent the failure to do so could not reasonably be expected to result in a Material Adverse Effect. No Company has knowledge (or could reasonably have knowledge upon due inquiry) of any proposed or pending tax assessments, deficiencies, audits or other proceedings and no proposed or pending tax assessments, deficiencies, audits or other proceedings have resulted, or could reasonably be expected to result, in a Material Adverse Effect. No Company is party to any tax sharing or similar agreement (other than one solely among Borrower and its Subsidiaries); *provided, however*, for the avoidance of doubt, no Material Agreement or Purchase Agreement shall constitute a tax sharing or similar agreement.

**Section 3.14      No Material Misstatements.** None of the reports, financial statements, certificates or other information furnished by or on behalf of Borrower to any Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contained, at the time furnished, any material misstatement of fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made and when taken as a whole, not materially misleading; *provided* that, (i) with respect to projected financial information, Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time prepared, it being understood by the parties that projections by their nature are inherently uncertain, no assurances are being given that the results reflected in such projections will be achieved, actual results may differ from projections and such differences may be material and (ii) no representation or warranty is made as to any general economic or industry specific information.

**Section 3.15      Labor Matters.** No Company is engaged in any unfair labor practice that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect. There are (a) no unfair labor practice complaints pending against any Company or, to the knowledge of Borrower, threatened against any Company, before the National Labor Relations Board or other Governmental Authority or labor organization, and (b) no legal actions, lawsuits, arbitrations, administrative or other proceedings, grievances, charges, complaints, investigations, inspections, audits or notices of violations or possible violations pending or, to the knowledge of Borrower, threatened against any Company by or on behalf of, or otherwise involving, any current or former employee, any person alleging to be a current or former employee, any applicant for employment, or any class of the foregoing, or any Governmental Authority, that involve the labor or employment relations and practices of any Company, including but not limited to claims of employment discrimination, except (with respect to any matter specified in clauses (a) and (b) above) as has not resulted in, and could not reasonably be expected to result in, a Material Adverse Effect. There are no strikes, lockouts or slowdowns against any Company pending or, to the best of the knowledge of Borrower, threatened that have resulted in, or could reasonably be expected to result in, a Material Adverse Effect. The hours worked by and payments made to employees of any Company have not been in violation of the Fair Labor Standards Act of 1938, as amended, or any other applicable Legal Requirement dealing with such matters in any manner that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

**Section 3.16      Solvency.** Both immediately before and immediately after the consummation of the Transactions to occur on the Third Amendment Effective Date and immediately following the making of each Credit Extension and after giving effect to (i) the operation of the provisions of Section 7.10 and (ii) the application of the proceeds of each Credit Extension, (a) the fair value of the properties of the Loan Parties on a consolidated basis will exceed their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of the Loan Parties on a consolidated basis will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities,



subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) the Loan Parties on a consolidated basis will be able to (x) pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured and (y) satisfy their liabilities as they become due in the ordinary course of business and (d) the Loan Parties on a consolidated basis will not have unreasonably small capital with which to conduct their business in which they are engaged as such business is now conducted and is proposed, contemplated or about to be conducted following the Third Amendment Effective Date.

**Section 3.17      Employee Benefit Plans.** (a) Each Employee Benefit Plan complies, and is operated and maintained in compliance, with all applicable Legal Requirements, including all applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder, except in each case as could not reasonably be expected to result in a Material Adverse Effect. Each Employee Benefit Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination from the Internal Revenue Service for all required amendments and, to the knowledge of the Company, nothing has occurred which could reasonably be expected to prevent, or cause the loss of, such qualification.

(b) No ERISA Event has occurred or is expected to occur that could reasonably be expected to result in a Material Adverse Effect.

(c) To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of all Legal Requirements and has been maintained, where required, in good standing with applicable regulatory authorities, except where any instance of non-compliance could not reasonably be expected to have a Material Adverse Effect. No Company has incurred any obligation in connection with the termination of or withdrawal from any Foreign Plan that could reasonably be expected to have a Material Adverse Effect.

**Section 3.18      Environmental Matters.**

(a) Except as could not reasonably be expected to result in a Material Adverse Effect, no Company (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any Environmental Permit, or (ii) has become subject to any Environmental Claim.

(b) Except as could not reasonably be expected to result in a Material Adverse Effect, no Company has received written notice of any Environmental Claim with respect to any Environmental Liability, which Environmental Liability remains unresolved.

(c) Except as could not reasonably be expected to result in a Material Adverse Effect, to the knowledge of Borrower, there are no facts, circumstances or conditions that could give rise to any Environmental Liability.

**Section 3.19      Insurance.** Schedule 3.19 sets forth a true, complete and accurate description in reasonable detail of all insurance maintained by each Company as of the Third Amendment Effective Date. As of the Third Amendment Effective Date, each Company has insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations. All insurance maintained by the Companies is in full force and effect, all premiums due have been duly paid, no Company has received notice of invalidity or cancellation thereof, and the Rigs, and the use, occupancy and operation thereof, comply in all material respects with all Insurance Policies required to be maintained hereunder, and there exists no material default under any such Insurance Policies.

**Section 3.20 Anti-Terrorism Law; Sanctions; Anti-Corruption Law.** (a) No Company and, to the knowledge of the Loan Parties, none of its Affiliates is in violation of any applicable Legal Requirements relating to terrorism or money laundering (“**Anti-Terrorism Laws**”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “**Executive Order**”), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as amended (the “**Patriot Act**”).

(b) None of the Companies, nor any of their respective Subsidiaries or any of their or their respective Subsidiaries’ directors, officers or employees (“**Relevant Person**”) or (to the best of the knowledge of the Loan Parties) agent of any of the Companies or their respective Subsidiaries is an individual or entity that is, or is owned fifty percent (50%) or more or controlled by Relevant Persons that are, (i) the target of or in control of any person that is the target of any sanctions administered or enforced by the United States of America, the United Nations Security Council, the European Union, the Norwegian State, the United Kingdom or the respective governmental institutions or agencies of any of the foregoing (collectively, “**Sanctions**”), (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of comprehensive Sanctions (including, as of the Third Amendment Effective Date, the Crimea region, Cuba, Iran, North Korea, South Sudan and Syria), (iii) listed on or controlled by a person listed on any Sanctions list, (iv) in breach of any applicable Sanctions or causing any such violation by any Lender, Issuing Bank or Guarantee Bank, or (v) the subject to any current claim, action, suit, proceeding, formal notice or investigation of such person’s violation of Sanctions.

(c) No Relevant Person (nor, to the best of the Loan Parties’ knowledge, any of their agents or representatives), nor, to the best of the Loan Parties’ knowledge, any other persons acting on their behalf:

- (i) is a Restricted Party, or
- (ii) controls a Restricted Party;

(d) The Relevant Persons and, to the knowledge of the Loan Parties, their agents, are in compliance with applicable Sanctions and all applicable U.S. export controls laws administered by the U.S. Department of Commerce Bureau of Industry and Security and the U.S. Department of State Directorate of Defense Trade Controls; and are not knowingly engaged in any activity that would reasonably be expected to result in any Relevant Person being designated as Restricted Parties.

(e) No Company and, to the knowledge of the Loan Parties, no broker or other agent of any Company acting in any capacity in connection with the Loan Documents (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in clause (i) or (ii) of Section 3.20(b), (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(f) No Company nor any director or officer, nor to the knowledge of the Loan Parties, any agent, employee or other person acting, directly or indirectly, on behalf of any Company, has, in the course of its actions for, or on behalf of, any Company, directly or indirectly (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity, (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds, (iii) violated or is in violation of any provision of

any Anti-Corruption Laws, or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee, except for any actions of the type described in the foregoing clauses (i) through (iv) to the extent that such actions relate to events that occurred prior to November 30, 2012 and could not reasonably be expected, either individually or in the aggregate, to result in a material liability for any Company after taking into account all amounts that could be reasonably recovered by Borrower or its Affiliates (and promptly contributed as common equity to Borrower) from a successful claim against the Seller (and its successors-in-interest) under the terms of the Purchase Agreements for damages and/or indemnification arising from such actions or events.

**Section 3.21      Concerning Rigs.** (a) The name, registered owner, official number, jurisdiction of registration and flag (which shall be in an Acceptable Flag Jurisdiction) of each Rig as of the Third Amendment Effective Date will be as set forth on Schedule 3.21. Each Rig is operated in compliance with all applicable Legal Requirements, except where the failure to so comply could not reasonably be expected to result in a Material Adverse Effect. Each Rig owned as of the Third Amendment Effective Date is owned by a Subsidiary Guarantor (other than the Shelf Drilling Mentor (registered in Vanuatu under Official Number 2457) and the Shelf Drilling Tenacious (registered in Vanuatu under Official Number 2459)).

(b) Each Company which owns or operates one or more Rigs is qualified in all material respects to own and operate such Rig under the laws of its jurisdiction of incorporation and flag jurisdiction of such Rig.

(c) Each Rig (except for any Rig that is cold stacked) is classified with an Approved Classification Society, free of any overdue recommendations affecting class, other than as permitted under the Collateral Rig Mortgage related thereto.

(d) As of the Third Amendment Effective Date, there is no pending or threatened condemnation or eminent domain proceeding with respect to any Rig.

**Section 3.22      Form of Documentation; Citizenship.** (a) Each of the Loan Documents is or, when executed will be, in proper legal form under the laws of the applicable Acceptable Flag Jurisdiction for the enforcement thereof in all material respects under such laws and the laws of the jurisdiction of organization of the applicable Loan Party party thereto. To ensure the legality, validity, enforceability or admissibility in evidence of each such Loan Document in the applicable Acceptable Flag Jurisdiction or the laws of the jurisdiction of organization of the applicable Loan Party party thereto, it is not necessary that any Loan Document or any other document be filed or recorded with any court or other authority in the applicable Acceptable Flag Jurisdiction or any such jurisdiction of organization, except as have been made, or will be made.

(b) None of the Companies is organized in any jurisdiction, and none of the Rigs (other than Excluded Rigs) is located or flagged in any jurisdiction, in either case which requires any of the Security Documents to be filed or registered with any applicable Governmental Authority in that jurisdiction to ensure the validity of the Security Documents to which it is a party unless all such filings and registrations have been made or will be made as set forth, in the case of the applicable jurisdictions as of the Third Amendment Effective Date, on Schedule 3.22.

**Section 3.23      Intercreditor Agreement.** This Agreement constitutes the “Credit Agreement” and the debt facilities provided by this Agreement constitute a “Credit Facility” (or

similar term) under, and as defined in, any Intercreditor Agreement, and all Obligations constitute “Credit Facility Claims” (or similar term) under, and as defined in, such Intercreditor Agreement.

**Section 3.24 Beneficial Ownership Certification.** As of the Third Amendment Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

#### **ARTICLE IV CONDITIONS TO CREDIT EXTENSIONS**

**Section 4.01 Conditions to Initial Credit Extension.** The occurrence of the Closing Date, the effectiveness of the credit facilities contemplated hereby, and the obligation of each Lender, the Issuing Bank and the Guarantee Bank to fund or issue any Credit Extension requested to be made by it on the Closing Date, shall be subject to the prior or substantially concurrent satisfaction (or waiver by the Lenders in their sole discretion) of each of the conditions precedent set forth in this Section 4.01.

(a) Loan Documents. There shall have been delivered to the Administrative Agent a counterpart of each of the Loan Documents (including this Agreement, any Revolving Notes requested by a Lender, the Security Agreement, each other Security Document and the Supplement to Intercreditor Agreement) (except to the extent such Loan Documents are to be delivered after the date hereof in accordance with this Agreement or the other Loan Documents) properly executed by each applicable Loan Party.

(b) Corporate Documents. The Administrative Agent shall have received:

(i) a certificate of the secretary or assistant secretary of each Loan Party dated the Closing Date, certifying (A) that attached thereto is a true and complete copy of each Organizational Document of such Loan Party certified (to the extent available) as of a recent date by the Secretary of State (or other appropriate officer) of the jurisdiction of its organization, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors and/or shareholders of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which such person is a party and, in the case of Borrower, the Credit Extensions hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, and (C) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party (together with a certificate of another officer as to the incumbency and specimen signature of the secretary or assistant secretary executing the certificate required by this clause (i)); and

(ii) a certificate (to the extent available) as to the good standing of each Loan Party (in so-called “long-form” if available) as of a recent date, from the Secretary of State or other appropriate officer of the jurisdictions in which such Loan Party is organized and qualified or licensed to do business, including, to the extent required by any Agent and otherwise available, certificates of good standing from the applicable authorities in Liberia, Marshall Islands and Vanuatu as to any Loan Party’s status as a foreign maritime entity, as applicable, and, to the extent available in the applicable jurisdiction, bring-down good standing certificates for each Loan Party in the jurisdiction of its organization.

(c) Officer’s Certificate. The Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Responsible Officer of Borrower, confirming compliance with

the conditions precedent set forth in this Section 4.01 and Sections 4.02(b), (c) and (d) (to the extent applicable).

(d) Refinancing. On or prior to the Closing Date, (i) the Refinancing shall have been consummated in full and all liens created under (or pursuant to) the Existing Credit Agreement and the related security documents shall have been unconditionally released and terminated, (ii) the Administrative Agent shall have received a “pay-off” letter in form and substance reasonably satisfactory to the Administrative Agent with respect to all Indebtedness being refinanced in the Refinancing, and (iii) the Administrative Agent shall have received, or shall have been given reasonable assurance of receiving contemporaneous with the occurrence of the Closing Date, from any person holding any Lien securing any such Indebtedness, such UCC (or equivalent) termination statements, mortgage releases, releases of assignments of leases and rents, releases of security interests in Intellectual Property, deposit accounts, securities accounts and other instruments, in each case in proper form for recording or filing, as the Administrative Agent shall have reasonably requested to release and terminate of record the Liens securing such Indebtedness, other than with respect to the release and termination of certain Liens granted in connection with the Existing Credit Agreement that will be released after the Closing Date pursuant to Section 5.16(c).

(e) Financial Statements; Pro Forma Balance Sheet; Projections. The Administrative Agent shall have received (i) the financial statements described in the first sentence of Section 3.04(a) and (ii) the Projections referred to in Section 3.04(b).

(f) Indebtedness. After giving effect to the Transactions on the Closing Date, no Company shall have outstanding any Indebtedness other than (i) the Obligations hereunder and (ii) the Indebtedness permitted under Section 6.01.

(g) Opinions of Counsel. The Administrative Agent shall have received, on behalf of itself, the other Agents, the Arranger, the Lenders, the Issuing Bank and the Guarantee Bank, a written opinion of (i) Skadden, Arps, Slate, Meagher & Flom LLP, special New York counsel to the Loan Parties, and (ii) each local and foreign counsel set forth on Schedule 1.01(d), in each case (A) dated the Closing Date, (B) addressed to the Agents, the Issuing Bank, the Guarantee Bank and the Lenders and (C) in form and substance reasonably satisfactory to the Agents.

(h) Solvency Certificate. The Administrative Agent shall have received a solvency certificate (a “**Solvency Certificate**”) in the form of Exhibit K, conforming with Section 3.16, dated the Closing Date and signed by the chief financial officer of Borrower.

(i) No Material Adverse Effect. Since December 31, 2012, there has been no event, change, development circumstance or occurrence that has had, or would reasonably be expected to have, a Material Adverse Effect.

(j) Fees. The Agents shall have received all Fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all reasonable and documented out-of-pocket expenses (including recording taxes and fees and the reasonable legal fees and expenses of White & Case LLP and Seward & Kissel LLP, special counsel to the Agents, and the reasonable fees and expenses of any local counsel, foreign counsel and other advisors reasonably obtained by it) required to be reimbursed or paid by the Loan Parties hereunder, under any other Loan Document or under the Fee Letters.

(k) Personal Property and Rig Requirements. The Collateral Agent shall have received:

(i) all certificates, agreements or instruments representing or evidencing the Investment Property constituting Security Agreement Collateral, accompanied by instruments of transfer and stock powers undated and endorsed in blank, to the extent required by this Agreement and the Security Documents to be delivered on the date hereof;

(ii) (x) an endorsement of the Intercompany Note undated and endorsed in blank by each of the Loan Parties and (y) the Management Fee Subordination Agreement executed by the Sponsors, Borrower and the Subsidiary Guarantors;

(iii) UCC (or equivalent) financing statements in appropriate form (and fully executed if required) for filing under the UCC, filings with the United States Patent and Trademark Office and United States Copyright Office and such other documents under applicable Legal Requirements in each jurisdiction as may be necessary or appropriate or, in the reasonable opinion of the Collateral Agent, desirable to perfect the Liens created, or purported to be created, by the Security Documents;

(iv) certified copies, each as of a recent date, of (x) UCC searches and (y) such other searches that the Collateral Agent deems reasonably necessary or appropriate;

(v) evidence reasonably acceptable to the Collateral Agent of payment or arrangements for payment by the Loan Parties of all applicable filing or recording taxes, fees, charges, costs and expenses required for the filing or recording of the Security Documents; and

(vi) evidence reasonably acceptable to the Collateral Agent of satisfaction of the Rig Collateral Requirements (other than certificates described in clause (c)(iii) of the definition of Rig Collateral Requirements which shall be delivered pursuant to Section 4.01(l)(i) with respect to each Collateral Rig (other than the Collateral Rigs owned by the Existing Egyptian Subsidiaries and the Existing Hungarian Subsidiaries).

(l) Rig Documentation. The Administrative Agent shall have received with respect to each Rig owned as of the Closing Date:

(i) a copy of a confirmation of class for each Rig (except for any Rig that is cold stacked) from an Approved Classification Society to the extent the same can be reasonably be obtained by Borrower prior to the Closing Date after use of its commercially reasonable efforts to do so (or an arrangement shall have been made with the Administrative Agent for delivery of such confirmation of class within 15 Business Days after the Closing Date); and

(ii) a certificate of ownership and encumbrance from the applicable Acceptable Flag Jurisdiction showing the registered ownership of each Rig (other than the Rig Hibiscus) and indicating no liens of record other than Permitted Liens or Liens to be discharged on or before the Closing Date.

(m) Bank Regulatory Documentation. The Agents and the Lenders shall have received, at least five Business Days prior to the Closing Date, all documentation and other information required by bank regulatory authorities or requested by any Agent or any Lender at least 10 Business



Days prior to the Closing Date under or in respect of applicable anti-money laundering rules, Anti-Terrorism Laws or “know-your-customer” Legal Requirements, including the Executive Order.

(n) Approvals. On or prior to the Closing Date, all necessary and material approvals and consents (domestic and foreign) of Governmental Authorities and other third parties in connection with the Transactions on the Closing Date, the other transactions on the Closing Date contemplated hereby and the granting of Liens under the Loan Documents required to occur by the Closing Date shall have been obtained and remain in full force and effect. On the Closing Date, there shall not exist any judgment, order, injunction or other restraint issued or filed or a hearing seeking injunctive relief or other restraint pending or notified prohibiting or imposing materially adverse conditions upon the Transactions on the Closing Date or the other transactions contemplated by the Loan Documents or otherwise referred to herein.

(o) Litigation. On the Closing Date, there shall be no actions, suits, proceedings or regulatory actions pending or threatened (i) with respect to the Transactions on the Closing Date, this Agreement or any other Loan Document, or (ii) which any Agent shall determine has had, or could reasonably be expected to have, a Material Adverse Effect.

(p) Process Agent Letter. The Administrative Agent shall have received a letter, in form and substance reasonably satisfactory to it, from the Process Agent as provided in Section 11.09(d).

In the event that no Credit Extension is made on the Closing Date, the Administrative Agent shall deliver on the Closing Date a written notice to Borrower confirming the occurrence of the Closing Date.

**Section 4.02      Conditions to All Credit Extensions**. The obligation of each Lender, the Issuing Bank and the Guarantee Bank to make any Credit Extension (including Credit Extensions on the Closing Date), shall be subject to, and to the satisfaction of, each of the conditions precedent set forth below.

(a) Notice. The Administrative Agent shall have received a Borrowing Request as required by Section 2.03 and, in the case of the issuance, amendment, extension or renewal of (x) a Letter of Credit, the Issuing Bank and the Administrative Agent shall have received a notice requesting the issuance, amendment, extension or renewal of such Letter of Credit as required by Section 2.17(b) and (y) a Bank Guarantee, the Guarantee Bank and the Administrative Agent shall have received a notice requesting the issuance, amendment, extension or renewal of such Letter of Credit as required by Section 2.18(b).

(b) No Default. At the time of and immediately after giving effect to such Credit Extension and the application of the proceeds thereof, no Default shall have occurred and be continuing on such date (including, for this purpose, giving effect to the proviso in Section 6.20).

(c) Representations and Warranties. Each of the representations and warranties made by any Loan Party set forth in Article III or in any other Loan Document shall be true and correct in all material respects on and as of the date of such Credit Extension with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects on and as of such earlier date); *provided* that any representation and warranty that is qualified as to “materiality”, “Material Adverse Effect” or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such applicable dates.

(d) No Excess Cash. The obligation of each Lender to make Revolving Loans shall be subject to the satisfaction of the condition that, immediately after giving effect thereto, Borrower and its Restricted Subsidiaries shall not hold Unrestricted cash and Cash Equivalents in an aggregate amount (after giving effect to the incurrence of such Revolving Loans and the application of proceeds therefrom and the application of any other Unrestricted cash or Cash Equivalents on hand (to the extent Borrower and its Restricted Subsidiaries plan to use such proceeds and/or other Unrestricted cash or Cash Equivalents within 30 days after the date of such Credit Extension for a permitted purpose other than an investment in Cash Equivalents, which plans Borrower has described in reasonable detail in its Borrowing Request)) in excess of \$35,000,000.

(e) Closing Date. The Closing Date shall have occurred.

Each of the delivery of a Borrowing Request or notice requesting the issuance, amendment, extension or renewal of a Letter of Credit or a Bank Guarantee and the acceptance by Borrower of the proceeds of such Credit Extension shall constitute a representation and warranty by Borrower and each other Loan Party that on the date of such Credit Extension (both immediately before and after giving effect to such Credit Extension and the application of the proceeds thereof) the applicable conditions contained in this Section 4.02 have been satisfied.

## **ARTICLE V**

### **AFFIRMATIVE COVENANTS**

Each Loan Party warrants, covenants and agrees with the Administrative Agent, the Collateral Agent, the Issuing Bank, the Guarantee Bank and each Lender that from and after the Closing Date until the Revolving Commitments have been terminated and the principal of and interest and premium (if any) on each Revolving Loan, all Fees and all other expenses, amounts payable and other Obligations under any Loan Document (other than any indemnification obligations not then due or payable) shall have been paid in full and, unless otherwise agreed by (x) the Issuing Bank and the Lenders, all Letters of Credit have been canceled or have expired or have been Cash Collateralized and all amounts drawn thereunder have been reimbursed in full and (y) the Guarantee Bank and the Lenders, all Bank Guarantees have been canceled or have expired or have been Cash Collateralized and all amounts drawn thereunder have been reimbursed in full, each Loan Party will, and will cause each other Company to:

**Section 5.01 Financial Statements, Reports, etc.** Furnish to the Administrative Agent and each Lender:

(a) as soon as available, but in any event within 90 days (or 120 days with respect to the fiscal year ending December 31, 2013) after the end of each fiscal year of the Ultimate Parent, a consolidated balance sheet of the Ultimate Parent and its consolidated Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of PricewaterhouseCoopers or any other independent certified public accountant of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification, exception or explanatory paragraph or any qualification, exception or explanatory paragraph as to the scope of such audit, together with a customary management's discussion and analysis of financial information;

(b) as soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Ultimate Parent, a consolidated balance sheet of the

Ultimate Parent and its consolidated Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and certified by the chief financial officer of Borrower as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Ultimate Parent and its consolidated Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes, together with a customary management's discussion and analysis of financial information; and

(c) concurrently with the delivery of any financial statements pursuant to Sections 5.01(a) and (b) above, (i) the related consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements, and (ii) financial information and related explanations in reasonable detail with respect to differences between the consolidated financial results of the Ultimate Parent and the consolidated financial results of Borrower.

Notwithstanding the foregoing, (i) to the extent that Borrower or the Ultimate Parent is required to deliver an annual report on Form 10-K for any fiscal year (or the substantial equivalent thereof or a comparable report filed with the UK Listing Authority (the "UKLA")), within 90 days after the end of such fiscal year (A) pursuant to the terms of any Senior Secured Notes Documents or any other documentation evidencing Indebtedness of Borrower (including the Unsecured Notes Indenture) or (B) as a result of a public offering of common stock of Borrower (or any direct or indirect parent thereof), the delivery of such Form 10-K (or the substantial equivalent thereof or a comparable report filed with the UKLA) shall satisfy all requirements of clause (a) of this Section 5.01 with respect to such fiscal year and (ii) to the extent that Borrower or the Ultimate Parent is required to deliver a quarterly report on Form 10-Q for any fiscal quarter (or the substantial equivalent thereof or a comparable report filed with the UKLA), within 45 days after the end of such fiscal quarter (A) pursuant to the terms of any Senior Secured Notes Documents or any other documentation evidencing Indebtedness of Borrower (including the Unsecured Note Indenture) or (B) as a result of a public offering of common stock of Borrower (or any direct or indirect parent thereof), the delivery of such Form 10-Q (or the substantial equivalent thereof or a comparable report filed with the UKLA) shall satisfy all requirements of clause (b) of this Section 5.01 with respect to such fiscal quarter; in each case to the extent that information contained in such Form 10-K or Form 10-Q, or such substantial equivalent thereof or comparable report, as the case may be, satisfies the requirements of clause (a) or (b) of this Section 5.01, as the case may be.

Notwithstanding anything to the contrary contained herein, to the extent Borrower satisfies any of its obligations in clauses (a) and (b) of this Section 5.01 by delivering a report described in the preceding paragraph containing financial statements of any direct or indirect parent of Borrower without containing similar financial statements of Borrower, then the financial statements in such reports shall be accompanied by financial information and related explanations with respect to differences between the consolidated financial results of such parent company, on the one hand, and the consolidated financial results of Borrower, on the other hand, which information shall be certified by a Responsible Officer of Borrower as having been fairly presented in all material respects. To the extent such statements are in lieu of statements required to be provided under Section 5.01(a), such statements shall be accompanied by a report and opinion of PricewaterhouseCoopers or any other independent registered public accounting firm of nationally recognized standing, which report and opinion shall satisfy the applicable requirements set forth in Section 5.01(a).

(d) Compliance Certificate. Concurrently with any delivery of financial statements under Section 5.01(a) or 5.01(b), a Compliance Certificate (i) certifying (x) that no Default has occurred

or, if such a Default has occurred, specifying in reasonable detail the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, (y) compliance with those Sections of this Agreement specified in such Compliance Certificate as of the end of such fiscal year or quarter, as the case may be, and (z) the amount of (or calculations in reasonable detail to arrive at) the Cumulative CNI Amount, the Available Amount and the Net Equity Proceeds Amount as of the end of such fiscal year or quarter, as the case may be, and (ii) setting forth a list of all Rigs, Excluded Rigs, Immaterial Subsidiaries and Unrestricted Subsidiaries as of the end of such fiscal year or quarter, as the case may be, to the extent such list has changed since the most recent Compliance Certificate delivered pursuant to this Section 5.01.

(e) Budgets. No later than 45 days after the first day of each fiscal year of Borrower, a budget of the Ultimate Parent and its consolidated Subsidiaries in form consistent in all material respects with the Projections (except that such budget shall be of the Ultimate Parent and its consolidated Subsidiaries) or in such other form as is reasonably satisfactory to the Administrative Agent (including budgeted statements of income and sources and uses of cash and balance sheets) prepared by Borrower for each fiscal month of such fiscal year prepared in detail, with appropriate presentation and discussion in reasonable detail of the principal assumptions upon which such budget is based, accompanied by a certificate of a Financial Officer of Borrower certifying that the budget of the Ultimate Parent and its consolidated Subsidiaries is a good faith estimate for the period covered thereby, it being understood by the Lenders that budgets by their nature are inherently uncertain, no assurances are being given that the results reflected in such budgets will be achieved, actual results may differ from the budgeted amounts and such differences may be material.

(f) Other Information. Promptly, from time to time, such other information regarding the operations, business affairs and financial condition of any Company, or compliance with the terms of any Loan Document, any Senior Secured Notes Document, any Additional Second Lien Debt Document, any Additional Unsecured Debt Document or any Material Agreement, or the environmental condition of any Real Property or Rig, as any Agent or any Lender (through the Administrative Agent) may reasonably request.

Borrower and each Lender acknowledge that certain of the Lenders may be Public Lenders and, if documents or notices required to be delivered pursuant to this Section 5.01 or otherwise are being distributed through a Platform, any document or notice that Borrower has indicated contains Non-Public Information shall not be posted on that portion of the Platform designated for such Public Lenders. Borrower agrees to clearly designate all information provided to the Administrative Agent by or on behalf of Borrower which is suitable to make available to Public Lenders. If Borrower has not indicated whether a document or notice delivered pursuant to this Section 5.01 contains Non-Public Information, the Administrative Agent shall post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material Non-Public Information with respect to the Ultimate Parent, Borrower, its Subsidiaries and their securities.

**Section 5.02 Litigation and Other Notices**. Furnish to the Administrative Agent and each Lender written notice of the following promptly (and, in any event, within five Business Days) after any Responsible Officer's knowledge of the occurrence thereof:

(a) any Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or any written notice of intention of any person to file or commence, any action, suit, litigation or proceeding, whether at law or in equity or otherwise by or before any Governmental Authority, (i) against any Company or any Affiliate thereof that has had, or

could reasonably be expected to result in, a Material Adverse Effect, (ii) with respect to any Loan Document or (iii) with respect to any of the other Transactions;

(c) any development that has resulted, or could reasonably be expected to result, in a Material Adverse Effect;

(d) the occurrence of a Casualty Event of \$10,000,000 or more (whether or not covered by insurance);

(e) the receipt by any Company of any written notice of any Environmental Claim or violation of or potential liability under any Environmental Law, or knowledge by any Company that there exists a condition that has resulted, or could reasonably be expected to result, in an Environmental Claim or a violation of or liability under, any Environmental Law, except for unresolved Environmental Claims, violations, liabilities, potential liabilities, circumstances, facts or conditions, the consequences of which could not be reasonably likely to result in a Material Adverse Effect;

(f) (i) the incurrence of any Lien (other than Permitted Liens) on, or claim asserted against, all or any material portion of the Collateral or (ii) the occurrence of any other event which could reasonably be expected to materially adversely affect the value of the Collateral; and

(g) any change to the Corporate Family Rating (including as a result of any applicable rating agency no longer providing a Corporate Family Rating).

**Section 5.03 Existence; Businesses and Properties.** (a) Do or cause to be done all things necessary to preserve, renew and maintain in full force and effect (x) its legal existence and (y) all rights and franchises, licenses and permits necessary for its business, except (solely with respect to preceding clause (y)) where the failure to so preserve, renew or maintain such rights, franchises, licenses or permits could not reasonably be expected to result in a Material Adverse Effect, and in any event (in the case of preceding clauses (x) and (y)), except as otherwise expressly permitted under Section 6.05 or Section 6.06.

(b) Do or cause to be done all things necessary to maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear and obsolescence excepted, all properties used or useful in the business of each Company and from time to time will make or cause to be made all reasonable and appropriate repairs, renewals and replacements thereof, except where the failure to so maintain, repair, renew or replace such properties could not reasonably be expected to result in a Material Adverse Effect.

**Section 5.04 Insurance.** (a) Keep its insurable property adequately insured at all times by financially sound and reputable insurers; maintain such other insurance with financially sound and reputable insurers, to such extent and against such risks as is customary with companies in the same or similar businesses operating in the same or similar locations, including insurance with respect to Rigs and other properties material to the business of the Companies against such casualties and contingencies and of such types and in such amounts with such deductibles as is customary in the case of similar businesses operating in the same or similar locations, including commercial general liability against claims for bodily injury, death or property damage; it being understood and agreed, *however*, in any event the insurance required to be maintained pursuant to this Section 5.04 shall not be less than the Required Insurance in any material respect unless (i) the Administrative Agent otherwise agrees in writing, such agreement not to be unreasonably withheld, or (i) solely in the case of insurance covering war and political risk, Borrower reasonably determines in good faith that such insurance cannot be obtained from



financially sound and acceptable insurers or cannot be obtained on commercially reasonable terms or at a commercially reasonable cost.

(b) Notify the Administrative Agent promptly whenever any separate material insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Section 5.04 is taken out by any Company; and, if requested in writing, promptly deliver to the Administrative Agent a duplicate original copy of such policy or policies.

(c) All property insurance policies covering the Collateral are to be made payable to the Collateral Agent for the benefit of the Collateral Agent and the Secured Parties, as their interests may appear, in case of loss, pursuant to a standard loss payable endorsement. All certificates of insurance are to be delivered to the Collateral Agent, with the loss payable and additional insured endorsement in favor of the Collateral Agent and, except for Directors & Officers Liability Insurance, shall provide for not less than 30 days (10 days in the case of non-payment or 7 days in the case of insurance against war risks as contained in the Institute Notice of Cancellation and War Automatic Termination of Cover Clause – Hulls, etc. CL201) prior written notice to the Collateral Agent of the exercise of any right of cancellation. If Borrower or any other Loan Party fails to maintain such insurance, the Collateral Agent may arrange for such insurance, but at the Loan Parties' expense and without any responsibility on the Collateral Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent, by notice to Borrower (unless an Event of Default under Section 8.01(g) or (h) then exists, in which case, no such notice shall be required), shall have the sole right to file claims under any insurance policies, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

(d) No Company that is an owner of any Rig shall take any action that is reasonably likely to be the basis for termination, revocation or denial of any material insurance coverage required to be maintained under the Loan Documents in respect of the Rigs or that could reasonably be the basis for a defense to any material claim under any Insurance Policy maintained in respect of the Rigs, and the Companies shall otherwise comply in all material respects with all Insurance Policies in respect of the Rigs.

(e) The Administrative Agent may effect, at Borrower's expense and for the exclusive benefit of the Secured Parties, mortgagees' interest insurance and mortgagees' additional perils and pollution insurance on such terms as the Administrative Agent (acting on the instruction of the Required Lenders) may approve for an amount of 120% of the total Revolving Commitments.

**Section 5.05 Obligations and Taxes.** Pay its material Indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, services, materials and supplies or otherwise that, if unpaid, might give rise to a Lien other than a Permitted Lien upon such properties or any part thereof; *provided* that such payment and discharge shall not be required with respect to any such Indebtedness, other obligation, Tax, assessment, charge, levy or claim so long as (a) (i) the validity or amount thereof shall be contested in good faith by appropriate proceedings timely instituted and diligently conducted and the applicable Company shall have set aside on its books adequate reserves or other appropriate provisions with respect thereto in accordance with GAAP, and (ii) such contest operates to suspend collection of the contested obligation, Tax, assessment or charge and enforcement of a Lien other than a Permitted Lien or (b) the failure to pay



such obligation, Tax, assessment, charge, levy or claim could not reasonably be expected to result in a Material Adverse Effect.

**Section 5.06 Employee Benefits.** Furnish to the Administrative Agent (x) as soon as possible, and in any event within five Business Days, after any Responsible Officer of Borrower or any ERISA Affiliate of Borrower knows or has reason to know that, any ERISA Event has occurred that, alone or together with any other ERISA Event could reasonably be expected to result in a Material Adverse Effect, a statement of a Financial Officer of Borrower setting forth details as to such ERISA Event and the action, if any, that Borrower or the Subsidiary proposes to take with respect thereto, and a copy of any notice filed with the PBGC or the Internal Revenue Service pertaining to such ERISA Event and any notices received by Borrower, any Subsidiaries or any ERISA Affiliate of Borrower or any Subsidiary from the PBGC or any other governmental agency with respect to such ERISA Event, and (y) promptly after request by the Administrative Agent, copies of (i) annual report (Form 5500 Series) filed by Borrower or any Subsidiary or any of its ERISA Affiliates with the Employee Benefits Security Administration with respect to each Employee Benefit Plan; (ii) the most recent actuarial valuation report for each Pension Plan; (iii) all notices received by Borrower or any Subsidiary or any of their ERISA Affiliates from a Multiemployer Plan sponsor or any governmental agency concerning an ERISA Event; and (iv) such other information, documents or governmental reports or filings relating to any Employee Benefit Plan as the Administrative Agent shall reasonably request.

**Section 5.07 Maintaining Records; Access to Properties and Inspections; Annual Lender Calls.** (a) Keep proper books of record and account in which full, true and correct entries in conformity with GAAP and in all material respects are made of all dealings and transactions in relation to its business and activities. Each Company will permit any representatives designated by the Administrative Agent or the Required Lenders to visit and inspect the financial records and the property of such Company upon reasonable prior notice and at reasonable times during normal business hours and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent or the Required Lenders to discuss the affairs, finances, accounts and condition of any Company with the executive officers thereof and advisors therefor (including independent accountants); *provided that*, (i) a Responsible Officer shall have an opportunity to be present in the case of any such meeting with an advisor of any Company and (ii) absent an Event of Default which is continuing, inspections by each of the Administrative Agent and the Required Lenders pursuant to this Section 5.07 shall be limited to one time per fiscal year. The Companies shall have no obligation to disclose materials that are protected by attorney-client privilege or the disclosure of which would violate applicable law or any confidentiality obligations of the Companies.

(b) Within 120 days after the close of each fiscal year of Borrower, at the request of the Administrative Agent, hold a conference call (at a mutually agreeable time) with all Lenders who choose to participate in such conference call at which conference call shall be reviewed the financial results of the previous fiscal year and the financial condition of the Companies and the budgets presented for the current fiscal year of the Companies.

**Section 5.08 Use of Proceeds.** Use the proceeds of the Revolving Loans and the Letters of Credit and Bank Guarantees only for the purposes set forth in Section 3.12 and in accordance with Section 6.18.

**Section 5.09 Compliance with Environmental Laws; Environmental Reports.** (a) Comply, and take all commercially reasonable efforts to cause all lessees and any other person occupying or operating its properties (including its Rigs) to comply, with all Environmental Laws applicable to its operations and properties (including its Rigs); obtain and renew, and take all commercially reasonable efforts to cause all lessees and any other person occupying or operating its properties (including its Rigs)

to obtain and renew, all licenses, approvals, authorizations and permits (“**Environmental Permits**”) required under any Environmental Law for its operations and properties (including its Rigs); and conduct any remedial action in accordance with Environmental Laws or as required by a Governmental Authority; in each case, other than as could not reasonably be expected to result in a Material Adverse Effect.

(b) At any time that any Company has breached the representation and warranty in Section 3.18 or is not in compliance with Section 5.09(a), the Loan Parties will (in each case) provide, at their sole joint and several expense and at the request of the Administrative Agent, an environmental site assessment report concerning the Real Property or Rig owned, leased or operated by such Company that is the subject of any such breach or noncompliance, prepared by an environmental consulting firm reasonably approved by the Administrative Agent. If the Loan Parties fail to provide the same within 45 days after such request was made, the Administrative Agent may order the same at any time thereafter, if the Loan Parties are not diligently pursuing the completion of such report, the cost of which shall be borne by the Loan Parties on a joint and several basis, and in such case the Loan Parties shall grant and hereby grant to the Administrative Agent and the Lenders and their respective agents reasonable access to such Real Property or Rig and specifically grant the Administrative Agent and the Lenders a license to undertake such an assessment at any reasonable time upon reasonable notice to Borrower, all at the sole joint and several expense of the Loan Parties.

**Section 5.10 Additional Collateral; Additional Guarantors.** (a) Subject to this Section 5.10, with respect to any material property acquired after the Closing Date (other than an Excluded Asset) by any Loan Party that is intended to be subject to the Lien created by any of the Security Documents but is not so subject, promptly (and in any event within 90 days after the acquisition thereof (as such date may be extended by the Administrative Agent in its sole discretion)) (i) execute and deliver to the Administrative Agent and the Collateral Agent such amendments or supplements to the relevant Security Documents or such other documents as the Administrative Agent or the Collateral Agent reasonably shall deem necessary or advisable to grant to the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, a Lien on such property subject to no Liens other than Permitted Liens (it being understood that any Permitted Liens under Section 6.02(u) shall be subject to any Intercreditor Agreement), (ii) to the extent reasonably requested by the Administrative Agent, deliver opinions of counsel to Borrower in form and substance substantially consistent with the opinions of counsel delivered pursuant to Section 4.01(g), and (iii) take all actions necessary to cause such Lien to be duly perfected to the extent required by such Security Documents in accordance with all applicable Legal Requirements, including the filing of financing statements in such jurisdictions, in each case as may be reasonably requested by the Administrative Agent or the Collateral Agent. Borrower and the other Loan Parties shall otherwise take such actions and execute and/or deliver to the Collateral Agent such documents as the Administrative Agent or the Collateral Agent shall reasonably require to confirm the validity, perfection and priority of the Lien of the Security Documents against such after-acquired properties to the extent required by such Security Documents. Notwithstanding anything in this Agreement to the contrary, other than executing the Security Agreement and filing UCC financing statements and amendments, no Loan Party shall be required to deliver an Additional Local Law Security Document to grant the Collateral Agent a Lien on the Equity Interests in such Loan Party’s Immaterial Subsidiaries that are organized outside of the United States of America.

(b) With respect to (x) any person that is or becomes a Wholly Owned Restricted Subsidiary of Borrower after the Closing Date (other than an Excluded Subsidiary except to the extent provided in clause (i) below), (y) any Wholly Owned Restricted Subsidiary of Borrower that is an Excluded Subsidiary that ceases to be an Excluded Subsidiary (whether pursuant to the definition thereof, the definition of Immaterial Subsidiary or Section 5.10(e)), in the case of clause (x) and (y), promptly (and in any event within 90 days after such person becomes a Wholly Owned Restricted

Subsidiary, ceases to be an Excluded Subsidiary or otherwise becomes (or is required to become) an obligor or guarantor in respect of the Senior Secured Notes, any Additional Second Lien Debt or any Additional Unsecured Debt (as such date may be extended by the Administrative Agent in its sole discretion)), or (z) at Borrower's option, any other Restricted Subsidiary of Borrower or any Permitted Joint Venture in which Borrower or any Restricted Subsidiary has the power to direct or cause the direction of the management, operations and policies of such Permitted Joint Venture, (i) except to the extent any of the following constitutes an Excluded Asset, deliver to the Collateral Agent the certificates, if any, representing all of the Equity Interests of such Wholly Owned Restricted Subsidiary, Excluded Subsidiary or Subsidiary Guarantor, as the case may be, owned by a Loan Party, together with undated stock powers or other appropriate instruments of transfer (or the equivalent thereof as may be provided under an Additional Local Law Security Document) executed and delivered in blank by a duly authorized officer of the holder(s) of such Equity Interests, and (ii) cause each such Wholly Owned Restricted Subsidiary or other Restricted Subsidiary, as the case may be, (A) to execute a Joinder Agreement to become a Subsidiary Guarantor and a party to the Security Agreement and (to the extent the Senior Secured Notes or any Additional Second Lien Debt is outstanding) any Intercreditor Agreement, (B) to the extent reasonably requested by the Administrative Agent, deliver opinions of counsel to such Wholly Owned Restricted Subsidiary or other Restricted Subsidiary, as the case may be, in form and substance substantially consistent with the opinions of counsel delivered pursuant to Section 4.01(g) and (C) subject to the last sentence of Section 5.10(a), to take all actions necessary or advisable in the reasonable opinion of the Administrative Agent or the Collateral Agent to cause the Lien created by the applicable Security Document to be duly perfected to the extent required by such Security Document in accordance with all applicable Legal Requirements, including the filing of financing statements (or equivalent registrations) in such jurisdictions as may be reasonably requested by the Administrative Agent or the Collateral Agent. Notwithstanding the foregoing, this Section 5.10(b) shall not apply to (I) SDAIII, the Existing Dubai Subsidiary, the Existing Egyptian Subsidiaries, the Existing Hungarian Subsidiaries, the Existing Nigerian Subsidiaries, and the Existing Indonesian Subsidiary, or the Loan Parties in respect of Equity Interests in such Subsidiaries owned by such Loan Parties, in each case so long as the Loan Parties comply with Section 5.16, or (II) the Loan Parties in respect of Equity Interests in Shelf Drilling Offshore Services (India) Private Limited and its successors and assigns to the extent they are organized in India, but only so long as such Equity Interests have not been pledged to secure the Senior Secured Notes or any Additional Second Lien Debt Documents.

(c) Reserved.

(d) Promptly after, and in any event within 90 days of, (i) the acquisition by a Loan Party of a Rig after the Closing Date, (ii) any such person that owns a Rig becoming a Loan Party hereunder after the Closing Date or (iii) any Excluded Rig of a Loan Party ceasing to be an Excluded Rig (as such date may be extended by the Administrative Agent in its sole discretion), grant to the Collateral Agent a security interest in and Collateral Rig Mortgage on such Rig (unless it is an Excluded Rig). Such Collateral Rig Mortgage shall be granted pursuant to documentation reasonably satisfactory in form and substance to the Administrative Agent and the Collateral Agent pursuant to the provisions of the Rig Collateral Requirements and shall constitute valid and enforceable perfected first priority Liens subject only to Permitted Liens related thereto (it being understood that any Permitted Liens under Section 6.02(u) shall be subject to any Intercreditor Agreement).

(e) If, at any time, either (x) an Immaterial Subsidiary no longer constitutes an Immaterial Subsidiary pursuant to the definition thereof or (y) the aggregate total assets or total revenues of all Immaterial Subsidiaries exceeds the thresholds set forth in the second sentence of the definition thereof, promptly (and in any event within 90 days after the date on which financial statements are delivered pursuant to Section 5.01(a) or (b), as applicable, in the fiscal quarter during which such event occurs (as such date may be extended by the Administrative Agent in its sole discretion)) cause such

Immaterial Subsidiary (in the case of preceding clause (x)) or one or more Immaterial Subsidiaries (in the case of preceding clause (y)) to take the actions specified above in this Section 5.10 on the basis that each such Immaterial Subsidiary ceased to be an Immaterial Subsidiary hereunder, in each case to the extent that such Immaterial Subsidiary is a Wholly Owned Restricted Subsidiary of Borrower; *provided, however*, in the case of preceding clause (y), such actions shall only be required to the extent that, after giving effect to such actions, the aggregate total assets and total revenues of all then remaining Immaterial Subsidiaries do not exceed the thresholds set forth in the second sentence of the definition thereof.

**Section 5.11 Security Interests; Further Assurances.** (a) Promptly, upon the reasonable request of the Administrative Agent or the Collateral Agent, at the Loan Parties' expense, (i) execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of any of the Security Documents or otherwise reasonably deemed by the Administrative Agent or the Collateral Agent to be necessary or desirable for the continued validity, enforceability, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except Permitted Liens, or obtain any consents or waivers as may be necessary or appropriate in connection therewith (subject to any limitations that may be set forth in the Security Documents) and (i) without limiting the generality of the foregoing, execute, if required, and file, or cause to be filed, such financing or continuation statements under the UCC (or any non-U.S. equivalent thereto), or amendments thereto, such amendments or supplements to the Collateral Rig Mortgages (including any amendments required to maintain the Liens granted by such Collateral Rig Mortgages), and such other instruments or notices, as may be reasonably necessary, or that the Administrative Agent or the Collateral Agent may reasonably require (subject to any limitations that may be set forth in the Security Documents), to protect and preserve the Liens granted or purported to be granted the Security Documents. Notwithstanding anything in the Loan Documents to the contrary, Section 4.7 of the Security Agreement shall not apply to any Deposit Accounts or Securities Accounts that are Excluded Assets.

(b) Deliver or cause to be delivered to the Administrative Agent and the Collateral Agent from time to time such other documentation, instruments, consents, authorizations, approvals and Orders in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent as the Administrative Agent or the Collateral Agent shall reasonably deem necessary or advisable to perfect or maintain the validity, enforceability, perfection and priority of the Liens on the Collateral pursuant to the Security Documents (subject to any limitations that may be set forth in the Security Documents).

(c) At the reasonable written request of any counterparty to a Permitted Hedging Agreement or Bank Product Agreement entered into after the Closing Date, the applicable Loan Party and, at the written direction of the Collateral Agent, the mortgagee shall promptly execute an amendment to each Collateral Rig Mortgage adding obligations under such Permitted Hedging Agreement or Bank Product Agreement, as the case may be, as an additional secured obligation under each Collateral Rig Mortgage (and allowing such obligations to be secured on such basis as set forth in this Agreement or in the Security Agreement), and cause the same to be promptly and duly recorded, and such amendment shall be in form and substance reasonably satisfactory to the Collateral Agent.

(d) The Loan Parties will make arrangements to ensure that all filings and recordations made pursuant to this Section 5.11 and Section 5.10 are taken or made prior to any equivalent actions or filings or recordings are made or taken pursuant to any Senior Secured Notes Documents or any Additional Second Lien Debt Documents.

**Section 5.12 Maintenance of Ratings.** Use commercially reasonable efforts to cause Corporate Family Ratings to continue to be publicly rated by each of S&P and Moody's (or, to the extent S&P or Moody's no longer provides a Corporate Family Rating, Fitch, or such other rating agency as is designated as a replacement rating agency by Borrower with the consent of the Administrative Agent), but not to maintain a specific rating.

**Section 5.13 Compliance with Laws.** Comply with the requirements of all applicable Legal Requirements, the MODU Code and the IMO MODU Code, other than, in each case, non-compliance with such Legal Requirements or codes which could not reasonably be expected to result in a Material Adverse Effect.

**Section 5.14 Citizenship; Flag of Rig; Rig Classifications; Operation of Rigs.**

(a) Each Company which owns or operates a Rig will be qualified in all material respects to own and operate such Rig under the laws of the Acceptable Flag Jurisdiction governing such Rig.

(b) Each Company which owns and operates a Rig will (i) comply with and satisfy all applicable Legal Requirements of the jurisdiction of such Rig's home port, the MARPOL Code and the IMO MODU Code, now or hereafter from time to time in effect, in order that such Rig shall continue to be documented pursuant to the laws of the jurisdiction of its home port with such endorsements as shall qualify such Rig for participation in the trades and services to which it is dedicated from time to time or (ii) not do or allow to be done anything whereby such documentation is or could reasonably be expected to be forfeited, unless the failure to comply with such Legal Requirements or codes or obtain such documentation for such Rig could not reasonably be expected have a Material Adverse Effect.

(c) Each Company which owns and operates a Rig will ensure that each Rig (except for any Rig that is cold stacked) maintains its classification in effect as of the Closing Date (or a higher classification) or is classified in the highest class available for vessels of its age and type with an Approved Classification Society, with respect to any Rig, free of any overdue conditions or recommendations affecting class, unless the failure to maintain or obtain such classification or the existence of any overdue conditions or recommendations affecting class could not reasonably be expected to have a Material Adverse Effect, *provided* that if the classification of any of the Rigs shall be subject to any such recommendations, Borrower will provide a written report to the Administrative Agent describing the recommendations and assessing the steps required to be taken to prevent such recommendations from becoming overdue recommendations.

(d) Each Company which owns and operates a Collateral Rig will (i) make or cause to be made all repairs to or replacement of any damaged, worn or lost parts or equipment such that the value of the Rigs will not be materially impaired and (ii) except as otherwise contemplated by this Agreement or in connection with a transaction permitted hereby, not remove any material part of, or material item of equipment owned by the Companies installed on, such Rig except in the ordinary course of the operation and maintenance of such Rig or unless (x) the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed, is free from any Lien (other than Permitted Liens) in favor of any person other than the Collateral Agent and becomes, upon installation on such Rig, the property of the applicable Company and, if a Rig, subject to the security constituted by the Collateral Rig Mortgage or the Security Agreement or (y) the removal will not materially diminish the value of the Rigs.

(e) Each Company which owns and operates a Rig will submit such Rig (except for any Rig that is cold stacked) to such surveys as may be required for classification purposes and, upon the



reasonable written request of the Collateral Agent, supply to the Collateral Agent copies of all such survey reports and classification certificates issued in respect thereof.

(f) Each Company which owns and/or operates a Rig will promptly pay and discharge all tolls, dues, taxes, assessments, governmental charges, fines, penalties, debts, damages and liabilities whatsoever which have given or may give rise to maritime or possessory Liens (other than Permitted Liens) on, or claims (other than Permitted Liens) enforceable against, such Rig other than any of the foregoing (i) that are being contested in good faith and diligently by appropriate proceedings, and, in the event of arrest of any Rig pursuant to legal process, or in the event of its detention in exercise or purported exercise of any such Lien or claim as aforesaid, procure, if possible, the release of such Collateral Rig from such arrest or detention forthwith upon receiving notice thereof by providing bail or otherwise as the circumstances may require, or (ii) which could not reasonably be expected to have a Material Adverse Effect.

(g) Each Company which owns and operates a Rig will maintain, or cause to be maintained by the charterer or lessee of any Rig, a valid Certificate of Financial Responsibility (Oil Pollution) issued by the United States Coast Guard pursuant to the Federal Water Pollution Control Act to the extent that such certificate may be required by applicable Legal Requirements for any Rig and such other similar certificates as may be required in the course of the operations of any Rig pursuant to the International Convention on Civil Liability for Oil Pollution Damage of 1969, or other applicable Legal Requirements.

(h) Promptly after, and in any event within 45 days after (or, in the case of clause (iii) below, prior to (or concurrently with) such re-flagging or other action described therein), (i) the acquisition by a Loan Party of a Rig after the Closing Date, (ii) any such person that owns a Rig becoming a Loan Party hereunder after the Closing Date, or (iii) any Rig owned by a Loan Party being re-flagged to a new flag jurisdiction (which shall be required to be an Acceptable Flag Jurisdiction) or having its registered owner, name, official or patent number, as the case may be, or home port or class changed, (x) Borrower shall provide the Administrative Agent with the name, registered owner, official number and jurisdiction of registration and flag applicable to such Rig and, to the extent such Rig is a Collateral Rig, the applicable Loan Parties shall take such action as the Collateral Agent may reasonably request to ensure the Collateral Agent continues to have a valid and perfected Lien thereon and (y) in the case of preceding clauses (i) through (iii) as they relate to a Collateral Rig, the Administrative Agent shall (at the Loan Parties' expense and reasonable request) cooperate with Borrower to record any filings that are required to evidence or consent to any such change, including as may be required for Borrower to comply with its obligations under the Purchase Agreements.

**Section 5.15 Designation of Subsidiaries.** The Board of Directors, the chief executive officer or the chief financial officer of Borrower may at any time designate any Restricted Subsidiary of Borrower as an Unrestricted Subsidiary or designate (or re-designate, as the case may be) any Unrestricted Subsidiary as a Restricted Subsidiary; *provided* that, (i) immediately before and after such designation (or re-designation), (x) no Default shall have occurred and be continuing and (y) Borrower shall be in compliance on a Pro Forma Basis with Section 6.22, (ii) in the case of any designation of a Restricted Subsidiary as an Unrestricted Subsidiary only, immediately before and after such designation, as of the date of such designation, (A) (x) Unrestricted Subsidiary EBITDA must not represent more than (1) if such date of designation is prior to the date of the Fifth Amendment or after the Termination Date, 20% of Consolidated EBITDA (calculated as if all Subsidiaries are Restricted Subsidiaries) or (2) if such date of designation is during the Fifth Amendment Period, 10% of Consolidated EBITDA (calculated as if all Subsidiaries are Restricted Subsidiaries), and (y) Unrestricted Subsidiary Total Assets (excluding Rigs constructed by, and related assets of, Unrestricted Subsidiaries pursuant to Section 6.04(v) and/or Section 6.08(o)) must not represent more than ~~20% of~~ (1) if such date of designation is prior to the date of the Fifth Amendment or after the Termination Date, 20% of Consolidated Total Assets (calculated as if



all Subsidiaries are Restricted Subsidiaries) or (2) if such date of designation is during the Fifth Amendment Period, 10% of Consolidated Total Assets (calculated as if all Subsidiaries are Restricted Subsidiaries) and (B) Borrower would be able to incur \$1 of additional Indebtedness pursuant to Section 4.10(a) of the Unsecured Notes Indenture (as in effect on the Third Amendment Effective Date), (iii) no Restricted Subsidiary may be designated as an Unrestricted Subsidiary if such Restricted Subsidiary or any of its Subsidiaries owns any Equity Interests of, or owns or holds any Lien on any property of, Borrower or any other Restricted Subsidiary that is not a Subsidiary of the Subsidiary to be so designated, (iv) no Restricted Subsidiary may be designated as an Unrestricted Subsidiary if it is a “restricted subsidiary” immediately after giving effect to any such designation hereunder and any other contemporaneous designation under any other document for purposes of any Senior Secured Notes Documents, any Additional Second Lien Debt Documents, any Additional Unsecured Debt Documents or any other Indebtedness of Borrower or its Restricted Subsidiaries, as applicable, (v) the Investment resulting from the designation of such Restricted Subsidiary as an Unrestricted Subsidiary as described in the immediately succeeding sentence is permitted by Section 6.04(b), (o), (p), or (q), and (vi) Borrower shall have delivered to the Administrative Agent an Officer’s Certificate of Borrower certifying that such designation (or re-designation) complies with the applicable provisions of this Section 5.15 and demonstrating (in reasonable detail) the calculations required by preceding clauses (ii) and (v). The designation of any Restricted Subsidiary as an Unrestricted Subsidiary shall constitute an Investment by Borrower therein at the date of designation in an amount equal to the fair market value as determined by Borrower in good faith of Borrower’s or its Restricted Subsidiary’s (as applicable) Investment therein. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the incurrence at the time of designation of any Indebtedness or Liens of such Unrestricted Subsidiary existing at such time. Notwithstanding the foregoing, any Unrestricted Subsidiary that has been re-designated a Restricted Subsidiary may not be subsequently re-designated as an Unrestricted Subsidiary. Notwithstanding the foregoing, (i) SDAIII shall automatically become a Restricted Subsidiary on the Third Amendment Effective Date without requiring Borrower to deliver any Officer’s Certificate, (ii) the Newbuild Subsidiaries shall automatically become Restricted Subsidiaries upon the termination and release of both Newbuild Charters, without requiring Borrower to deliver any Officer’s Certificate ~~and~~, (iii) in no event shall the Restricted Subsidiaries that own the Newbuild Rigs, the other Designated Collateral Rigs or any other Designated Company be designated as Unrestricted Subsidiaries, ~~and~~ (iv) in no event (x) shall Borrower or any Restricted Subsidiary sell, contribute or otherwise transfer any Designated Collateral Rig to an Unrestricted Subsidiary nor (y) shall any Unrestricted Subsidiary own any Designated Collateral Rig.

**Section 5.16 Post-Closing Matters.** Execute and deliver the documents and complete the tasks set forth below in this Section 5.16, in each case within the time limits specified below:

(a) Within six months following the Closing Date (as such date may be extended by the Administrative Agent in its sole discretion), each of the Existing Egyptian Subsidiaries, the Existing Hungarian Subsidiaries, the Existing Nigerian Subsidiaries, and the Existing Indonesian Subsidiary, and by the earlier of (A) thirty days after the termination and release of the Newbuild Charters (as such date may be extended by the Administrative Agent in its sole discretion) and (B) one hundred twenty days after the Third Amendment Effective Date, each of the Existing Dubai Subsidiary and the Newbuild Subsidiaries (other than Shelf Drilling (Singapore) PTD. LTD. to the extent it is then an Immaterial Subsidiary) (i) shall have duly authorized, executed and delivered to the Administrative Agent and the Collateral Agent (x) a Joinder Agreement to become a Subsidiary Guarantor and a party to the Security Agreement and (to the extent the Senior Secured Notes or any Additional Second Lien Debt is outstanding) any Intercreditor Agreement, and (y) a counterpart to the Management Fee Subordination Agreement, (ii) shall have delivered applicable legal opinions, each in form and substance reasonably satisfactory to the Administrative Agent, and (iii) shall have taken all such other actions, and delivered all such other certificates, resolutions, Organizational Documents and financing statements that each such

Subsidiary would have had to deliver pursuant to Sections 4.01(b), 4.01(k)(i) and 4.01(k)(iii) on the Closing Date if it were a Loan Party on such date, and with all of the foregoing to be in form and substance substantially similar to those delivered by the other Subsidiary Guarantors on the Closing Date or otherwise reasonably satisfactory to the Administrative Agent.

(b) Within six months following the Closing Date (as such date may be extended by the Administrative Agent in its sole discretion), (i) each Existing Egyptian Subsidiary shall have satisfied the Rig Collateral Requirements with respect to each Rig then owned by such Existing Egyptian Subsidiary, (ii) the Existing Hungarian Subsidiary shall have satisfied the Rig Collateral Requirements with respect to each Rig then owned by such Existing Hungarian Subsidiary, (iii) the Loan Parties that are shown as becoming parties to Additional Local Law Security Documents listed in Part 2 (*Post Closing*) of Schedule 1.01(b) shall have duly authorized, executed and delivered to the Administrative Agent and the Collateral Agent such Additional Local Law Security Documents in such form as is reasonably satisfactory to the Administrative Agent together with opinions of the respective Loan Parties' counsel (as reasonably requested by the Administrative Agent) and such other documents, acknowledgments, registrations and certificates related thereto as the Administrative Agent or the Collateral Agent may reasonably request and in form and substance reasonably satisfactory to the Administrative Agent and (iv) each Loan Party that owns a Covered Account (as defined in the Security Agreement) shall have taken all actions with respect thereto as provided in the Security Agreement.

(c) Promptly and in any event within six months following the Closing Date (as such date may be extended by the Administrative Agent in its sole discretion), the Loan Parties shall have delivered to the Administrative Agent all releases and terminations of any Liens in favor of Jefferies Finance LLC in connection with the property that will be subject to a perfected first priority security interest pursuant to clause (b) above.

(d) Promptly and in any event within 15 days following the Third Amendment Effective Date (as such date may be extended by the Administrative Agent in its sole discretion), Shelf Drilling Offshore Holdings Limited and the Existing Hungarian Subsidiaries shall have executed and delivered to the Administrative Agent amendments and restatements to the charges, or replacement charges, over the quotas of the Existing Hungarian Subsidiaries, in each case in substantially the form of the charges over the quotas of the Existing Hungarian Subsidiaries in effect immediately prior to the Third Amendment Effective Date, and Shelf Drilling (Central Europe) Korlátolt Felelősségű Társaság shall have executed, delivered and caused to be filed in the applicable filing office an amendment and restatement of its Collateral Rig Mortgage, in each case in substantially the form of the amendments and restatements of Collateral Rig Mortgages granted by other Subsidiary Guarantors on the Second Amendment Effective Date. Within 30 days (as such date may be extended by the Administrative Agent in its sole discretion) following the Existing Egyptian Subsidiaries' receipt of all authentications, approvals and other authorizations from Governmental Authorities in Egypt necessary for the Existing Egyptian Subsidiaries to enter amendments, or amendments and restatements, of the Security Documents to which they are party as reasonably requested by the Administrative Agent or the Collateral Agent (for which Borrower agrees to, and to cause the Existing Egyptian Subsidiaries to, make all necessary filings to obtain such authentications, approvals and other authorizations as promptly as possible after the Third Amendment Effective Date), the Existing Egyptian Subsidiaries shall have executed, delivered and, as applicable, caused to be filed in the applicable filing office such amendments or amendments and restatements, in each case in form and substance reasonably satisfactory to the Administrative Agent (except, in the case of amendments and restatements of Collateral Rig Mortgages, in substantially the form of the amendments and restatements of Collateral Rig Mortgages granted by other Subsidiary Guarantors on the Third Amendment Effective Date), and shall have delivered opinions of counsel to Borrower related thereto that are in form and substance reasonably satisfactory to the Administrative Agent. Within 90 days after the Third Amendment Effective Date (as such date may be extended by the Administrative

Agent in its sole discretion), each Loan Party as of the Third Amendment Effective Date (other than the Existing Hungarian Subsidiaries or Existing Egyptian Subsidiaries) shall have executed and delivered such amendments to, or amendments and restatements of, the Security Documents (to the extent such Security Documents were not amended or amended and restated on the Third Amendment Effective Date) as reasonably requested by the Administrative Agent or the Collateral Agent, in form and substance reasonably satisfactory to the Administrative Agent, to reflect the Transactions on the Third Amendment Effective Date, and shall have delivered opinions of counsel to Borrower or the other applicable Loan Parties (to the extent counsel to Borrower or the other applicable Loan Parties customarily delivers opinions in the applicable jurisdiction) related thereto that are in form and substance reasonably satisfactory to the Administrative Agent.

(e) Within the earlier of (A) 30 days following the termination and release of the Newbuild Charters (as such date may be extended by the Administrative Agent in its sole discretion) and (B) 120 days after the Third Amendment Effective Date, (i) each Newbuild Subsidiary shall have satisfied the Rig Collateral Requirements with respect to each Rig then owned by such Newbuild Subsidiary (which, in any event, shall include the Newbuild Rigs), and (ii) the Existing Dubai Subsidiary and the Newbuild Subsidiaries (and other applicable Loan Parties) shall have duly authorized, executed and delivered such Additional Local Law Security Documents, and shall have delivered such opinions of Loan Parties' counsel, to the Administrative Agent and the Collateral Agent as would have been required by the first sentence of Section 5.10(a) if such provision applied with respect to the Existing Dubai Subsidiary and the Newbuild Subsidiaries.

**Section 5.17 Know Your Customer.** Promptly following any request therefor, provide information and documentation reasonably requested by the Administrative Agent, the Issuing Bank, the Guarantee Bank or any Lender for purposes of compliance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act and the Beneficial Ownership Regulation, with respect to the Loan Documents and the transactions contemplated thereby.

**Section 5.18 Certain Rigs.** Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document (including, without limitation, Sections 6.03, 6.04, 6.05, 6.06, 6.07 and 6.08), ensure that (a) at all times from and after the date set forth in Section 5.16(e), ~~that~~ the Newbuild Rigs shall be owned by a Loan Party and subject to a Collateral Rig Mortgage and (b) during the Fifth Amendment Period, the other Designated Collateral Rigs shall be owned by a Loan Party.

**Section 5.19 Collateral Rig Market Values.** At least semi-annually in each fiscal year of Borrower, deliver to the Administrative Agent and the Lenders (at Borrower's expense) reports of Approved Brokers valuing the Designated Collateral Rigs (including, for this purpose, as provided in the proviso to the definition of Collateral Rig Market Value, the Newbuild Rigs) to establish the Collateral Rig Market Values thereof. The Administrative Agent (at the direction of the Required Lenders) shall have the right, upon notice to Borrower, to obtain one or more additional reports, at the Lenders' expense, from two Approved Brokers valuing the Designated Collateral Rigs (including, for this purpose, as provided in the proviso to the definition of Collateral Rig Market Value, the Newbuild Rigs).

**Section 5.20 Compliance with Sanctions.** Ensure continued compliance by the Companies and their respective officers, employees and Subsidiaries with applicable Sanctions. To the extent permitted by law, promptly upon becoming aware of it supply to the Administrative Agent details of any claim, action, suit, proceedings or investigations against any Company with respect to Sanctions by any of the countries or organizations described in Section 3.20(b)(i) administering or enforcing Sanctions.

**Section 5.21 Drilling Contracts.** Use commercially reasonable efforts to ensure that any drilling contracts entered into by any Loan Party after the Third Amendment Effective Date (other than extensions of drilling contracts) do not contain Drilling Contract Lien Restrictions.

**Section 5.22 Scrapping Policies.** Ensure that any Rig to the extent owned or controlled by any Company at the time such Rig is being scrapped, is recycled at a recycling yard that purports to conduct its recycling business in a socially and environmentally responsible manner and in accordance with the EU Ship Recycling Regulation and/or The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009.

## **ARTICLE VI NEGATIVE COVENANTS**

Each Loan Party warrants, covenants and agrees with the Administrative Agent, the Collateral Agent, the Issuing Bank, the Guarantee Bank and each Lender that, from and after the Closing Date until the Revolving Commitments have been terminated and the principal of and interest and premium (if any) on each Revolving Loan, all Fees and all other expenses, amounts and other Obligations payable under any Loan Document (other than any indemnification obligations not then due or payable) have been paid in full and, unless otherwise agreed by (x) the Issuing Bank, all Letters of Credit have been canceled or have expired or have been Cash Collateralized and all amounts drawn thereunder have been reimbursed in full and (y) the Guarantee Bank and the Lenders, all Bank Guarantees have been canceled or have expired or have been Cash Collateralized and all amounts drawn thereunder have been reimbursed in full, no Loan Party will, nor will they cause or permit any other Company to:

**Section 6.01 Indebtedness.** Incur, create, assume or permit to exist, directly or indirectly, any Indebtedness, except:

- (a) Indebtedness incurred under this Agreement and the other Loan Documents;
- (b) Indebtedness outstanding on November 30, 2012 (other than in respect of the Senior Secured Notes) that is outstanding on the Closing Date and listed on Schedule 6.01(b);
- (c) Indebtedness of Borrower and its Restricted Subsidiaries under Hedging Obligations under Permitted Hedging Agreements, in each case entered into in the ordinary course of business and not for speculative purposes or taking a “market view”; *provided* that if such Hedging Obligations relate to interest rates, (i) such Hedging Obligations relate to payment obligations on Indebtedness otherwise permitted to be incurred by the Loan Documents and (ii) the notional principal amount of such Hedging Obligations at the time incurred does not exceed the principal amount of the Indebtedness to which such Hedging Obligations relate;
- (d) Indebtedness arising from Investments permitted by Section 6.04;
- (e) Indebtedness of Borrower and its Restricted Subsidiaries in respect of Purchase Money Obligations and Capital Lease Obligations and Permitted Refinancing Indebtedness in respect thereof in an aggregate amount at any time outstanding not to exceed the greater of \$25,000,000 and 3.0% of Consolidated Total Assets;
- (f) Indebtedness in respect of Stand-Alone Credit Support;

(g) Indebtedness owed to any person providing property, casualty, liability or other insurance to any Company, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year;

(h) Contingent Obligations of any Company in respect of Indebtedness otherwise permitted under this Section 6.01 (other than Sections 6.01(b), (k), (m), (n), (o), (r) and (t) unless otherwise permitted to be guaranteed or incurred pursuant to such Sections); *provided* that the aggregate amount of Contingent Obligations that may be incurred pursuant to this clause (h) by Restricted Subsidiaries that are not Subsidiary Guarantors in respect of any Indebtedness outstanding pursuant to Section 6.01(s), when combined with the aggregate amount of outstanding Indebtedness permitted to be incurred by Restricted Subsidiaries that are not Subsidiary Guarantors pursuant to Section 6.01(s), shall not exceed \$10,000,000 at any time outstanding;

(i) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within five Business Days of incurrence;

(j) Indebtedness arising in connection with endorsements of instruments for deposits in the ordinary course of business and in connection with Bank Product Obligations (subject to the limitations described in clause (i) above in the case of the types of Indebtedness described therein) in the ordinary course of business;

(k) unsecured Indebtedness of Borrower owing to current or former employees, officers or directors (or any spouses, ex-spouses, or estates of any of the foregoing) incurred in connection with the repurchase by Borrower of Equity Interests of Borrower or any direct or indirect parent thereof that have been issued to such persons, so long as (i) no Default has occurred and is continuing immediately before or after the incurrence of such Indebtedness, and (ii) the aggregate principal amount of all such Indebtedness outstanding at any one time does not exceed \$5,000,000;

(l) Permitted Refinancing Indebtedness in respect of any of the Indebtedness described in Section 6.01(b);

(m) Additional Unsecured Debt of Borrower incurred pursuant to the Unsecured Notes Indenture, which may be guaranteed on an unsecured basis by the Subsidiary Guarantors, the Ultimate Parent or any other parent company of Borrower that guarantees the Obligations, in an aggregate principal amount not to exceed \$900,000,000 (as reduced by any repayments or prepayments of principal thereof after the Third Amendment Effective Date);

(n) Indebtedness of a Restricted Subsidiary of Borrower acquired pursuant to a Permitted Acquisition (or Indebtedness assumed at the time of a Permitted Acquisition of an asset securing such Indebtedness), and Permitted Refinancing Indebtedness in respect thereof; *provided* that (i) such Indebtedness was not incurred in connection with, or in anticipation or contemplation of, such Permitted Acquisition, (ii) at the time of the incurrence of such Indebtedness and immediately after giving effect thereto, (x) Borrower would be able to incur \$1 of additional Indebtedness pursuant to Section 4.10(a) of the Unsecured Notes Indenture (as in effect on the Third Amendment Effective Date) and (y) each of the Total Net Leverage Ratios, on a Pro Forma Basis, shall not be greater than 4.00:1.00 for the Test Period then most recently ended for which internal financial statements are available, (iii) the aggregate amount of all such Indebtedness outstanding at any time pursuant to this Section 6.01(n) of Restricted Subsidiaries that are not Subsidiary Guarantors shall not exceed \$15,000,000, and (iv) prior to



the incurrence of such Indebtedness, Borrower shall have delivered to the Administrative Agent an Officer's Certificate of Borrower certifying as to compliance with the requirements of preceding clauses (i) through (iii) and containing the calculations (in reasonable detail) required by preceding clauses (ii) and (iii);

(o) Indebtedness of Borrower, which may be guaranteed by the Subsidiary Guarantors, under the Additional Second Lien Debt Documents, so long as (i) the requirements set forth in the definition of "Additional Second Lien Debt" are (and continue to be) satisfied, (ii) no Default exists immediately before or after giving effect to the incurrence of such Indebtedness, (iii) except in the case of any Additional Second Lien Debt, the net cash proceeds of which are used solely to refinance all or any portion of any Senior Secured Notes or any Additional Second Lien Debt or any Additional Second Lien Debt (the aggregate principal amount of which, when added to the aggregate amount of outstanding Revolving Loans, unused Revolving Commitments and any other Additional Second Lien Debt then outstanding, does not exceed \$500,000,000) that is exchanged on a cashless basis for Additional Unsecured Debt, Borrower shall be in compliance, on a Pro Forma Basis, with a Secured Leverage Ratio of less than 2.00:1.00 for the Test Period then most recently ended for which internal financial statements are available and (iv) prior to the incurrence of such Indebtedness, Borrower shall have delivered to the Administrative Agent an Officer's Certificate of Borrower certifying as to compliance with the requirements of preceding clauses (i) through (iii), as applicable, and containing the calculations (in reasonable detail), if any, required by preceding clause (iii);

(p) Indebtedness of Borrower or any of its Restricted Subsidiaries consisting of earn-outs, indemnities or obligations in respect of purchase price adjustments in connection with the disposition or acquisition of assets; *provided* that with respect to any disposition, the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds including non-cash proceeds (the fair market value of such non-cash proceeds being measured at the time received and without giving effect to subsequent changes in value) actually received by Borrower and its Restricted Subsidiaries in connection with such disposition;

(q) Contingent Obligations in respect of Indebtedness (other than Indebtedness for borrowed money) of directors, officers and employees of Borrower or any of its Restricted Subsidiaries in respect of expenses of such persons in connection with relocations in the ordinary course of business purposes;

(r) Indebtedness of Borrower or any Restricted Subsidiary incurred on behalf of, or representing guarantees of Indebtedness of, Permitted Joint Ventures of Borrower or any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness incurred pursuant to this clause (r), including all Permitted Refinancing Indebtedness which serves to refund, refinance or replace any existing Indebtedness pursuant to this clause (r), and then outstanding on the date of the incurrence of such Incurrence, does not exceed the greater of (i) \$25,000,000 and (ii) 3.0% of Consolidated Total Assets;

(s) so long as no Default exists immediately before or after giving effect to the incurrence thereof, Indebtedness of Borrower or any of its Restricted Subsidiaries in an aggregate principal amount for all such Companies at any time outstanding not to exceed the greater of (i) \$40,000,000 and (ii) 5.0% of Consolidated Total Assets, *provided, however*, that the aggregate amount of Indebtedness that may be incurred or issued pursuant to this clause (s) by Restricted Subsidiaries that are not Subsidiary Guarantors, when combined with the aggregate amount of outstanding Indebtedness permitted to be incurred by Restricted Subsidiaries that are not Subsidiary Guarantors pursuant to Section 6.01(h), shall not exceed \$10,000,000 at any time outstanding;



(t) Additional Unsecured Debt under the Additional Unsecured Debt Documents, so long as (i) the requirements set forth in the definition of “Additional Unsecured Debt” are (and continue to be) satisfied, (ii) no Default exists immediately before or after giving effect to the incurrence of such Indebtedness, (iii) at the time of the incurrence of such Indebtedness and immediately after giving effect thereto, Borrower would be able to incur \$1 of additional Indebtedness pursuant to Section 4.10(a) of the Unsecured Notes Indenture (as in effect on the Third Amendment Effective Date) and (iv) prior to the incurrence of such Indebtedness, Borrower shall have delivered to the Administrative Agent an Officer’s Certificate of Borrower certifying as to compliance with the requirements of preceding clauses (i) through (iii) and containing the calculations (in reasonable detail) required by preceding clause (iii); provided that any such Indebtedness incurred or guaranteed by a Restricted Subsidiary that is not a Subsidiary Guarantor (including any Permitted Refinancing Indebtedness thereof, to the extent incurred or guaranteed by a Restricted Subsidiary that is not a Subsidiary Guarantor), together with any Indebtedness incurred or guaranteed by a Restricted Subsidiary that is not a Subsidiary Guarantor pursuant to Section 6.01(n) (including any Permitted Refinancing Indebtedness thereof, to the extent incurred or guaranteed by a Restricted Subsidiary that is not a Subsidiary Guarantor), shall not exceed \$25,000,000 in the aggregate at any time outstanding; and

(u) Indebtedness of Borrower or any of its Restricted Subsidiaries in respect of the Indebtedness of any Unrestricted Subsidiary but only to the extent that such Indebtedness results from the granting of Liens permitted pursuant to Section 6.02(ee) and any guarantee given solely to support such Liens, which Indebtedness and guarantee is not recourse to Borrower or any Restricted Subsidiary (other than solely to the Equity Interests in the applicable Unrestricted Subsidiary owned and pledged by Borrower or such Restricted Subsidiary).

Notwithstanding anything to the contrary contained above in this Section 6.01, during the Fifth Amendment Period, each Loan Party shall not (and shall cause each Company not to) incur, create, assume or permit to exist, directly or indirectly, any Indebtedness, in each case pursuant to Section 6.01(n), (o), (p), (r), (s) or (t), other than (x) any such Indebtedness that is outstanding on the date of the Fifth Amendment and was initially incurred in compliance with the terms and conditions of any such clause of this Section 6.01, (y) in the case of Section 6.01(o) only, (I) any Additional Second Lien Debt the net cash proceeds of which are used solely to refinance all or any portion of any then outstanding Additional Second Lien Debt or (II) any Additional Second Lien Debt (the aggregate principal amount of which, when added to the aggregate amount of outstanding Revolving Loans, unused Revolving Commitments and any other Additional Second Lien Debt then outstanding, does not exceed \$500,000,000) that is exchanged solely on a cashless basis for Additional Unsecured Debt, and (in the case of either preceding clause (I) or clause (II)) is otherwise incurred in accordance with the terms and conditions of such Section 6.01(o) and (z) in the case of Section 6.01(t) only, Additional Unsecured Debt the net cash proceeds of which are used solely to refinance all or any portion of any then outstanding Additional Unsecured Debt so long as such new Additional Unsecured Debt is otherwise incurred in accordance with the terms and conditions of such Section 6.01(t).

**Section 6.02 Liens.** Create, incur, assume or permit to exist, directly or indirectly, any Lien on any property now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except the following (collectively, the “**Permitted Liens**”):

(a) inchoate Liens for taxes, assessments or governmental charges or levies not yet due and payable or delinquent and Liens for taxes, assessments or governmental charges or levies, which are being contested in good faith by appropriate proceedings promptly initiated and diligently conducted for which adequate reserves have been established in accordance with GAAP, which proceedings (or Orders entered in connection with such proceedings) have the effect of preventing the forfeiture or sale

of the property subject to any such Lien; *provided* that, in the case of this clause (a) as it relates to the Designated Companies, such Liens only arise by operation of law;

(b) (x) any ship repairer's or outfitter's possessory Lien arising by operation of law and securing amounts not exceeding \$5,000,000 in the aggregate outstanding at any time, or (y) Liens in respect of property of any Company imposed by law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, materialmen's, landlords', workmen's, suppliers', repairmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business, and which, if they secure obligations that are then overdue and unpaid by more than 30 days, are being contested in good faith by appropriate proceedings and, with respect to the Designated Companies and the Designated Collateral Rigs only, (i) the secured obligations are not overdue and do not exceed \$10,000,000 in the aggregate outstanding at any time, (ii) the Lien has arisen solely and directly as a result of a payment owed by the ship repairer or other contractor to its sub-contractors, suppliers, vendors or other agents, and (iii) the Lien is fully discharged within twenty days after the Designated Company receives notice of such Lien are not overdue;

(c) any Lien outstanding on November 30, 2012 (other than in respect of the Senior Secured Notes Documents) that is outstanding on the Closing Date and listed on Schedule 6.02(c), any Lien permitted under the Purchase Agreements to remain outstanding on the closing date thereunder, and any Lien granted as a replacement or substitute therefor (and the proceeds thereof in each such case); *provided* that any such replacement or substitute Lien (i) except as permitted by Section 6.01(l), does not secure an aggregate amount of Indebtedness or other obligations, if any, greater than that secured on the Closing Date (and *minus* the aggregate amount of any permanent repayments and prepayments thereof since the Closing Date but only to the extent that such repayments and prepayments by their terms cannot be reborrowed or redrawn and do not occur in connection with a refinancing of all or a portion of such Indebtedness) and (ii) does not encumber any property other than the property subject thereto on the Closing Date other than improvements thereon or proceeds from the disposition of such property;

(d) any Lien permitted under any Bareboat Charter, Operating Agreement or the Transition Services Agreement, except those attributable to Borrower or its Subsidiaries;

(e) easements, rights-of-way, restrictions (including zoning restrictions), covenants, licenses, encroachments, protrusions and other similar charges or encumbrances, and minor title deficiencies, in each case, on or with respect to any Real Property, whether now or hereafter in existence, not (i) securing Indebtedness, or (ii) materially interfering with the ordinary conduct of the business of the Companies (taken as a whole);

(f) Liens arising out of judgments, attachments or awards not resulting in an Event of Default;

(g) Liens (other than any Lien imposed by ERISA) (x) imposed by law or deposits made in connection therewith in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security legislation, (y) incurred in the ordinary course of business to secure the performance of tenders, statutory obligations (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, environmental bonds, bids, leases, government contracts, contracts, performance and return of money bonds, completion guarantees and other similar obligations (in each case, exclusive of obligations for the payment of Indebtedness) or (z) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers;

(h) Leases, subleases, licenses or sublicenses of the properties (including Intellectual Property) of any Company, and the rights of ordinary course lessees described in Section 9-321 of the UCC, in each case entered into in the ordinary course of such Company's business so long as the foregoing do not, individually or in the aggregate, interfere in any material respect with the ordinary conduct of the business of any Company;

(i) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by any Company in the ordinary course of business;

(j) Liens securing Indebtedness incurred pursuant to Section 6.01(e), *provided* that (i) any such Liens attach only to the property being financed pursuant to such Indebtedness, and (ii) do not encumber any other property of any Company (although individual financings of equipment may be cross-collateralized to other financings of equipment by the same lender);

(k) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(l) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by any Company, in each case granted in the ordinary course of business or arising by operation of law in favor of the bank or banks with which such accounts are maintained, including those involving pooled accounts and netting arrangements; *provided* that, unless such Liens are non-consensual and arise by operation of applicable Legal Requirements or unless such Liens are granted to HSBC Bank plc or one of its Affiliates, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness (other than Indebtedness permitted by Section 6.01(i));

(m) Liens on property of a person existing at the time such person is acquired or merged with or into or consolidated with any Company pursuant to a Permitted Acquisition permitted hereunder and any replacement Lien on such property in connection with any Permitted Refinancing Indebtedness in respect thereof; *provided* that (x) such Liens (i) do not extend to property not subject to such Liens at the time of such acquisition, merger or consolidation (other than improvements thereon), (ii) are no more favorable to the lienholders than such existing Liens and (iii) are not created in anticipation or contemplation of such acquisition, merger or consolidation and (y) any Indebtedness that is secured by such Liens is permitted by Section 6.01(n);

(n) Liens granted pursuant to the Security Documents to secure the Secured Obligations;

(o) licenses or sublicenses of Intellectual Property granted by any Company in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Companies;

(p) the filing of UCC financing statements solely as a precautionary measure in connection with operating leases or consignment of goods;

(q) Liens of a collecting bank arising in the ordinary course of business under Section 4-208 of the UCC covering only the items being collected upon;

(r) Liens granted in the ordinary course of business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the financing is permitted under Section 6.01(g);

(s) Liens in the ordinary course of business for drydocking, maintenance, repairs and improvements to Rigs, crews' wages and maritime Liens (other than in respect of Indebtedness); *provided, however*, to the extent relating to a Designated Collateral Rig, such Liens only arise by operation of law and, other than in respect of current crew wages, do not secure amounts in excess of \$10,000,000 in the aggregate outstanding at any time;

(t) Liens for salvage (including contract salvage) which, in the case of the Designated Collateral Rigs, only arise by operation of law;

(u) so long as any Intercreditor Agreement is in effect, junior Liens on the Collateral to secure the obligations under any Senior Secured Notes Documents and any Additional Second Lien Debt Documents;

(v) Liens on cash deposits and Cash Equivalents to secure Stand-Alone Credit Support;

(w) other Liens as to which the aggregate amount of the obligations at any time outstanding secured thereby does not exceed the greater of (i) \$40,000,000 and (ii) 5.0% of Consolidated Total Assets;

(x) Liens upon specific items of inventory or other goods and proceeds of any person securing such person's obligations in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;

(y) customary restrictions on equipment of Borrower or any Restricted Subsidiary granted in the ordinary course of business to Borrower's or such Restricted Subsidiary's customer at which such equipment is located;

(z) any encumbrance or restriction (including put and call arrangements) with respect to Equity Interests of any Permitted Joint Venture or similar arrangement pursuant to any joint venture or similar agreement;

(aa) customary restrictions on assets to be disposed of pursuant to merger agreements, stock or asset purchase agreements and similar agreements to the extent that such dispositions are permitted hereunder;

(bb) Liens solely on any cash earnest money deposits made by Borrower or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement in respect of any Investment permitted hereunder;

(cc) Liens securing obligations by (i) Borrower to any Subsidiary Guarantor, (ii) any Company to Borrower or any Subsidiary Guarantor, and (iii) a Restricted Subsidiary of Borrower that is not a Subsidiary Guarantor to any other Restricted Subsidiary of Borrower that is not a Subsidiary Guarantor;

(dd) Liens governing the escrow account referred to in clause (v)(e) of the definition of Excluded Asset pending the use of such proceeds to effect the portion of the Transactions described in clause (d) of the definition thereof;

(ee) Liens on the Equity Interests of an Unrestricted Subsidiary; and

(ff) Liens in favor of Jefferies Finance LLC as collateral agent under the Existing Credit Agreement which shall be released and terminated on the Closing Date or within the time period provided in Section 5.16;

*provided*, that in the case of each of the Designated Collateral Rigs, the only Permitted Liens shall be those described in clauses (a), (b), (h) (but, in the case of such clause (h), limited to (x) charters of Rigs and (y) leases of Rigs to third-party customers), (n), (s), (t), (u) and (aa) (other than, in the case of such clause (aa), in respect of the Newbuild Rigs) of this Section 6.02.

**Section 6.03 Sale and Leaseback Transactions.** Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred (a “**Sale and Leaseback Transaction**”); *provided, however*, (a) Borrower and its Restricted Subsidiaries may enter into a Sale and Leaseback Transaction in connection with any Asset Sale permitted by (and effected in accordance with) Section 6.06(b) so long as (i) 100% (instead of 75%) of the consideration payable in respect thereof is in the form of cash and Cash Equivalents and is paid at the time of the closing of such Sale and Leaseback Transaction and (ii) any Indebtedness or Liens resulting therefrom are permitted by Sections 6.01 and 6.02, respectively; (b) Borrower or any Subsidiary Guarantors may enter into a Sale and Leaseback Transaction with other Subsidiary Guarantors or Borrower so long as the security interests granted to the Collateral Agent pursuant to the Security Documents shall remain in full force and effect and perfected to the same extent immediately prior to such Sale and Leaseback Transaction, and all actions required to be taken to maintain such perfected status have been or will promptly be taken, in each case, as required by Section 5.11; and (c) Restricted Subsidiaries that are not Subsidiary Guarantors may enter into Sale and Leaseback Transactions with each other.

**Section 6.04 Investments, Loans and Advances.** Directly or indirectly, lend money or credit (by way of guarantee, assumption of debt or otherwise) or make advances to any person, or purchase or acquire any stock, bonds, notes, debentures or other obligations or securities of, or any other interest in, or make any capital contribution to, any other person, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract (all of the foregoing, collectively, “**Investments**”), except that the following shall be permitted:

(a) guaranties under the Loan Documents;

(b) Investments outstanding on the Second Amendment Effective Date (other than (x) Investments made pursuant to Section 6.04(o) on or after July 1, 2016, which shall continue to be justified solely under clause (o) below, (y) Investments made pursuant to Section 6.04(p) on or after October 1, 2016 to the extent such Investments were not made using the Available Amount (as defined prior to giving effect to the Second Amendment) accrued through June 30, 2016, which Investments shall continue to be justified solely under clause (p) below and (z) Investments made pursuant to Section

6.04(v) of this Agreement on or before the Second Amendment Effective Date, which Investments shall continue to be justified solely under clause (v) below);

(c) the Companies may (i) acquire and hold accounts receivables owing to any of them if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary terms, (ii) invest in, acquire and hold cash and Cash Equivalents, (iii) endorse negotiable instruments held for collection in the ordinary course of business or (iv) make lease, utility and other similar deposits in the ordinary course of business;

(d) Hedging Obligations permitted pursuant to Section 6.01(c);

(e) (i) payroll, travel, moving and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business, and (ii) loans or advances to directors, officers or employees made in the ordinary course of business of the Companies in an aggregate amount not to exceed, in the case of this clause (ii), \$5,000,000 at any one time outstanding (calculated without regard to write-downs or write-offs thereof);

(f) Investments by (i) Borrower in any Subsidiary Guarantor, (ii) any Company in Borrower or any Subsidiary Guarantor, (iii) a Restricted Subsidiary of Borrower that is not a Subsidiary Guarantor in any other Restricted Subsidiary of Borrower that is not a Subsidiary Guarantor and (iv) any Company in a Restricted Subsidiary or Permitted Joint Venture, whether or not a Subsidiary Guarantor, which are substantially simultaneously used by such Restricted Subsidiary or Permitted Joint Venture to make an Investment in Borrower or a Subsidiary Guarantor; provided that any Investments made pursuant to clause (ii) in the form of intercompany loans shall include subordination provisions substantially similar to those contained in the Intercompany Note or otherwise in form and substance reasonably satisfactory to the Administrative Agent (and each of the Companies acknowledges and agrees that any Indebtedness of any Loan Party pursuant to any intercompany loans made pursuant to clause (ii) shall be subordinated to such Loan Party's Obligations on the terms set forth in such subordination provisions, whether or not such subordination provisions are attached to any such intercompany loans or referred to therein);

(g) Investments in securities of trade creditors or customers in the ordinary course of business that are received in settlement of *bona fide* disputes or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers or received pursuant to any litigation, arbitration or other disputes with persons who are not Affiliates of a Company;

(h) mergers, consolidations and other transactions in compliance with Section 6.05;

(i) Investments made by Borrower or any Restricted Subsidiary as a result of consideration received in connection with an Asset Sale made in compliance with Section 6.06;

(j) Permitted Acquisitions in compliance with Section 6.07(e);

(k) Dividends in compliance with Section 6.08;

(l) Investments of any person that becomes a Restricted Subsidiary of Borrower after the Closing Date or consolidates, merges or amalgamates with any Restricted Subsidiary of Borrower after the Closing Date, in each case pursuant to a transaction otherwise permitted by this Section 6.04; *provided* that (i) such Investments exist at the time such person becomes a Restricted



Subsidiary or is acquired, consolidated, merged or amalgamated, (ii) such Investments are not made in anticipation or contemplation of such person becoming a Restricted Subsidiary or of such consolidation, merger or amalgamation, and (iii) such Investments are not directly or indirectly recourse to any of the Companies or any of their respective assets, other than to the assets acquired or the person that becomes a Restricted Subsidiary;

(m) Contingent Obligations to the extent permitted by Section 6.01 and, to the extent not entered into in connection with Indebtedness, Contingent Obligations entered into in the ordinary course of business;

(n) the repurchase of Equity Interests of Borrower deemed to occur upon the exercise of options to the extent such Equity Interests represent all or a portion of the exercise price of such options;

(o) so long as no Default exists immediately before or after giving effect thereto and either (x) the Minimum Liquidity Condition shall be satisfied immediately after giving effect thereto ~~(but, for this purpose, determined without giving effect to clause (II) of the definition of Liquidity)~~ or (y) each of the Total Net Leverage Ratios, after giving effect to such Investment on a Pro Forma Basis, would be no greater than 3.00:1.00, Investments by Borrower and its Restricted Subsidiaries made with the Net Equity Proceeds Amount (as determined immediately before giving effect to the making of such Investment); provided, that no Investments pursuant to this clause (o) may be made during the Fifth Amendment Period unless (i) no Default exists immediately before or after giving effect thereto, (ii) the Senior Secured Leverage Ratio, after giving effect to such Investment on a Pro Forma Basis, would be no greater than 1.00:1.00, and (iii) the Minimum Liquidity Condition shall be satisfied immediately after giving effect thereto;

(p) Investments by Borrower and its Restricted Subsidiaries in an aggregate amount not to exceed the Available Amount on the date such Investments are made (as determined immediately before giving effect to the making of such Investment), so long as (i) no Default exists immediately before or after giving effect thereto, (ii) at the time thereof and immediately after giving effect thereto, Borrower would be able to incur \$1 of additional Indebtedness pursuant to Section 4.10(a) of the Unsecured Notes Indenture (as in effect on the Third Amendment Effective Date), and (iii) either (x) the Minimum Liquidity Condition shall be satisfied immediately after giving effect thereto ~~(but, for this purpose, determined without giving effect to clause (II) of the definition of Liquidity)~~ or (y) each of the Total Net Leverage Ratios, after giving effect to such Investment on a Pro Forma Basis, would be no greater than 3.00:1.00; provided, that no Investments pursuant to this clause (p) may be made during the Fifth Amendment Period unless (i) the conditions in preceding clauses (i) and (ii) shall be satisfied, (ii) the Senior Secured Leverage Ratio, after giving effect to such Investment on a Pro Forma Basis, would be no greater than 1.00:1.00, and (iii) the Minimum Liquidity Condition shall be satisfied immediately after giving effect thereto;

(q) so long as no Default exists immediately before or after giving effect thereof, other Investments by Borrower or its Restricted Subsidiaries in a business permitted by Section 6.13, in Permitted Joint Ventures or in any third-party owners of Permitted Joint Ventures in an aggregate amount outstanding at any time not to exceed, when combined with any Dividends made pursuant to clause (ii) of Section 6.08(k), the greater of (i) \$75,000,000 and (ii) 7.0% of Consolidated Total Assets at any time outstanding (calculated without regard to write-downs or write-offs thereof); provided, that no Investments pursuant to this clause (q) may be made during the Fifth Amendment Period unless (i) no Default exists immediately before or after giving effect thereto, (ii) after giving effect to such Investment

on a Pro Forma Basis, the Senior Secured Leverage Ratio would be no greater than 1.00:1.00, and (iii) the Minimum Liquidity Condition shall be satisfied immediately after giving effect thereto;

(r) loans and advances by Borrower or any of the Restricted Subsidiaries to directors or officers of Borrower or any of the Restricted Subsidiaries to finance the purchase by such directors or officers of Equity Interests of Borrower or any direct or indirect parent of Borrower, in an aggregate amount not to exceed \$5,000,000 at any one time outstanding (determined without regard to any write-down or write-off thereof); *provided, however*, that at the time of each such loan or advance, no Default shall have occurred and be continuing (or result therefrom);

(s) [Reserved]

(t) [Reserved];

(u) Investments in third-party owners of Permitted Joint Ventures to the extent the proceeds of which are used by such third-party owners (A) to acquire ownership interests in Permitted Joint Ventures from a Subsidiary Guarantor that will remain a Subsidiary Guarantor immediately thereafter or (B) otherwise to finance directly or indirectly ownership interests in Permitted Joint Ventures that are (or become) Subsidiary Guarantors;

(v) Investments by Borrower or any Restricted Subsidiary in an aggregate amount not to exceed, together with any amounts outstanding under Section 6.08(o), \$120,000,000 at any time outstanding (calculated without regard to write-downs or write-offs thereof) in Unrestricted Subsidiaries or Affiliates of Borrower so long as (i) immediately before and after giving effect to the making of such Investment, no Default then exists, (ii) the proceeds from such Investment shall be used by such Unrestricted Subsidiary or Affiliate to finance, in whole or in part, the construction, completion and commissioning of a new Rig and related assets and (iii) such Unrestricted Subsidiary or Affiliate shall have entered into a drilling contract with an oil company with a term that expires no earlier than two years after the original scheduled date of completion of the construction of such Rig; provided that any such Investment shall be deemed to be outstanding until such time as (1) such Unrestricted Subsidiary is designated as a Restricted Subsidiary pursuant to Section 5.15 and becomes a Subsidiary Guarantor and complies with the requirements set forth in Sections 5.10(b), (c) and (d) or (2) such Rig is contributed or distributed to Borrower or a Subsidiary Guarantor and all actions set forth in Section 5.10(d) to grant a security interest in such Rig to the Collateral Agent for the benefit of the Secured Parties have been taken; and provided further, that no Investments pursuant to this clause (v) may be made during the Fifth Amendment Period unless (i) the conditions in preceding clauses (i), (ii) and (iii) shall be satisfied, (ii) after giving effect to such Investment on a Pro Forma Basis, the Senior Secured Leverage Ratio would be no greater than 1.00:1.00, and (iii) the Minimum Liquidity Condition shall be satisfied immediately after giving effect thereto; and

(w) non-cash Investment solely pursuant to the Restructuring Transactions resulting in Borrower's receipt of the Restructuring Transactions Receivable so long as neither Borrower nor any of its Subsidiaries has any ongoing obligations with respect thereto.

In the event that an Investment meets the criteria of more than one of the above clauses of this Section 6.04, Borrower may classify, and from time to time may reclassify, such Investment if such classification would be permitted at the time of such reclassification.

**Section 6.05 Mergers and Consolidations.** Wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation, except that the following shall be permitted:

(a) dispositions of assets in compliance with Section 6.06 (other than Sections 6.06(e) and (f));

(b) Permitted Acquisitions (provided that no Permitted Acquisitions may be made during the Fifth Amendment Period);

(c) any solvent Company (other than Borrower) may merge or consolidate with or into, or transfer any of its assets to (including through liquidating or dissolving into), Borrower or any Subsidiary Guarantor (as long as (i) Borrower is the surviving person in any such merger, consolidation, liquidation or dissolution involving it or (ii) in all other cases, a Subsidiary Guarantor is the surviving person in any such merger, consolidation, liquidation or dissolution and, in the case of any Subsidiary Guarantor, remains a Wholly Owned Restricted Subsidiary of Borrower); *provided* that (in all cases) the Lien on and security interest in such property granted or to be granted in favor of the Collateral Agent under the Security Documents shall be maintained or created in accordance with the provisions of Section 5.10 or Section 5.11, as applicable;

(d) any Immaterial Subsidiary of Borrower may dissolve, liquidate or wind up its affairs at any time to the extent such dissolution, liquidation or winding up could not reasonably be expected to have a Material Adverse Effect; and

(e) any Restricted Subsidiary that is not a Subsidiary Guarantor may merge or consolidate with or into, or transfer any of its assets to (including through liquidating or dissolving into), any other Restricted Subsidiary that is not a Subsidiary Guarantor.

To the extent the requisite Lenders under Section 11.02(b) waive the provisions of this Section 6.05 with respect to the sale or transfer of any Collateral, or any Collateral is sold or transferred as permitted by this Section 6.05, such Collateral (unless sold or transferred to a Company or any Restricted Subsidiary thereof), but not the proceeds thereof, automatically and without further action by an person shall be sold free and clear of the Liens created by the Security Documents, and, so long as Borrower shall have previously provided to the Collateral Agent and the Administrative Agent such certifications or documents as the Collateral Agent and/or the Administrative Agent shall reasonably request in order to demonstrate compliance with this Section 6.05, the Collateral Agent shall take all actions it deems appropriate or that Borrower may reasonably request in order to effect the foregoing.

**Section 6.06 Asset Sales.** Effect any disposition of any property, except that the following shall be permitted:

(a) dispositions of worn out or obsolete property (other than Rigs) by any Company in the ordinary course of business, the disposition of any other property (other than Rigs) in the ordinary course of business, and the assignment, cancellation, abandonment or other disposition of Intellectual Property that is, in the reasonable good faith judgment of Borrower, no longer economically practicable to maintain or useful in the conduct of the business of the Companies taken as a whole;

(b) other dispositions of property (other than the Equity Interests of any Subsidiary Guarantor unless, in the case of a Subsidiary Guarantor, all of the Equity Interests of such Subsidiary Guarantor are sold to the extent permitted by this clause (b)); *provided* that (i) except for the dispositions of the cold stacked Rigs set forth on Schedule 6.06(b), the aggregate consideration received in respect of all other dispositions of property pursuant to this clause (b) shall not exceed the greater of \$300,000,000 and 15% of Consolidated Total Assets, of which no more than \$100,000,000 in the aggregate may be received during the Fifth Amendment Period, (ii) all such dispositions of property are made for Fair Market Value and on an arms-length commercial basis, (iii) at least 75% of the consideration payable in

respect of each such disposition of property is in the form of cash or Cash Equivalents and is paid at the time of the closing of such disposition and (iv) no Default exists immediately before or after giving effect thereto;

(c) leases, subleases, licenses or sublicenses of real or personal property (other than Sale and Leaseback Transactions) and Intellectual Property in the ordinary course of business and in accordance with the applicable Security Documents;

(d) Permitted Liens in compliance with Section 6.02;

(e) Investments in compliance with Section 6.04;

(f) dispositions related to mergers, consolidations and other transactions in compliance with Section 6.05;

(g) Dividends in compliance with Section 6.08;

(h) sales of inventory in the ordinary course of business and dispositions of cash and Cash Equivalents in the ordinary course of business;

(i) any disposition of property that constitutes a Casualty Event;

(j) any disposition of property (i) by any Restricted Subsidiary of Borrower to Borrower or any of its Wholly Owned Restricted Subsidiaries or by Borrower to any of its Wholly Owned Restricted Subsidiaries; *provided* that if the transferor of such property is Borrower or a Subsidiary Guarantor, the transferee thereof must be Borrower or a Subsidiary Guarantor or (ii) by any non-Wholly Owned Restricted Subsidiary of Borrower that is not a Subsidiary Guarantor to Borrower or any Restricted Subsidiary;

(k) dispositions, by means of a substantially simultaneous trade in, or a substantially simultaneous exchange of, assets for similar assets of substantially equivalent value; *provided* that, except for the trade ins and exchanges of the cold stacked Rigs set forth on Schedule 6.06(b), the aggregate Fair Market Value of all Rigs subject to such trade ins or exchanges shall not exceed \$100,000,000;

(l) the sale or disposition, within 365 days after the date of a Permitted Acquisition, of any portion of a business or operations acquired in a Permitted Acquisition, that is, in the good faith reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the conduct of the business of the Companies taken as a whole, *provided* that (x) such dispositions of property are made for Fair Market Value and on an arms-length commercial basis, (y) at least 75% of the consideration payable in respect of such disposition of property is in the form of cash or Cash Equivalents and is paid at the time of the closing of such disposition and (z) no Default exists immediately before or after giving effect thereto;

(m) Equity Interests may be issued to the extent permitted by Section 6.12;

(n) sales, forgiveness or other dispositions without recourse in the ordinary course of business of accounts receivable arising in the ordinary course of business in connection with the collection or compromise thereof but not as part of any financing transaction;

(o) dispositions required by, or to be made to, the Seller pursuant to the Purchase Agreements (as in effect on the Closing Date);

(p) any sale, transfer or other disposition of property to a Restricted Subsidiary or Permitted Joint Venture that occurs substantially simultaneously with such Restricted Subsidiary's or Permitted Joint Venture's sale, transfer or other disposition of such property to Borrower or a Subsidiary Guarantor; and

(q) any sale by Borrower or a Restricted Subsidiary of Equity Interests to one or more third parties in connection with a Permitted Joint Venture; provided that (i) to the extent the entity whose Equity Interests are sold is a Subsidiary Guarantor, then (A) any security interests granted by such Subsidiary Guarantor pursuant to the Security Documents shall remain in full force and effect and perfected (to the same extent immediately prior to such sale of Equity Interests) and any actions to maintain said perfected status shall have been or will be promptly taken, in each case, to the extent required by Section 5.11 or (B) such sale shall be treated as an Investment and shall comply with Section 6.04 and (ii) to the extent the entity whose Equity Interests are sold is not a Subsidiary Guarantor, such sale shall be treated as an Investment and shall comply with Section 6.04, in the case of preceding clauses (i)(B) and (ii), in an amount equal to the difference between (i) the original amount of Borrower's or such Restricted Subsidiary's Investment in such Permitted Joint Venture that has not previously been returned or recovered minus (ii) the amount of the net cash proceeds received by Borrower or such Restricted Subsidiary from the sale of such Equity Interests.

To the extent the requisite Lenders under Section 11.02(b) waive the provisions of this Section 6.06, with respect to the sale, transfer or other disposition of any Collateral, or any Collateral is sold, transferred or disposed as permitted by this Section 6.06, such Collateral (unless sold, transferred or disposed to a Company or any Restricted Subsidiary thereof), but not the proceeds thereof, automatically and without further action by any person, shall be sold free and clear of the Liens created by the Security Documents, and, so long as Borrower shall have previously provided to the Collateral Agent and the Administrative Agent such certifications or documents as the Collateral Agent and/or the Administrative Agent shall reasonably request in order to demonstrate compliance with this Section 6.06, the Collateral Agent shall take all actions it deems appropriate or that Borrower may reasonably request in order to effect the foregoing.

**Section 6.07 Acquisitions.** Purchase or otherwise acquire (in one or a series of related transactions) any part of the property of any person, except that the following shall be permitted:

(a) Investments in compliance with Section 6.04;

(b) Capital Expenditures by Borrower and its Restricted Subsidiaries (other than Permitted Acquisition unless independently permitted by clause (e) of this Section 6.07);

(c) purchases and other acquisitions of inventory, materials, equipment, intangible property and other assets in the ordinary course of business;

(d) leases or licenses of real or personal property (including Intellectual Property) in the ordinary course of business and in accordance with this Agreement and the applicable Security Documents;

(e) Permitted Acquisitions ([provided that no Permitted Acquisitions may be made during the Fifth Amendment Period](#));

(f) mergers, consolidations and other transactions in compliance with Section 6.05;

(g) assets purchased by Borrower or a Restricted Subsidiary pursuant to an Inventory Purchase Agreement; and

(h) acquisitions by Borrower or a Restricted Subsidiary of all of the Equity Interests of a person whose sole assets are a single Rig and the related equipment and contracts so long as such acquisition is not part of a series of one or more other related acquisitions (unless otherwise independently permitted under clause (a) or (e) of this Section 6.07); provided that no acquisitions may be made pursuant to this clause (h) during the Fifth Amendment Period.

**Section 6.08 Dividends.** Declare or pay, directly or indirectly, any Dividends with respect to any Company or incur any obligation (contingent or otherwise) to do so, except that the following shall be permitted:

(a) (i) any Restricted Subsidiary of Borrower may declare and pay cash Dividends to Borrower, any Subsidiary Guarantor or to any Wholly Owned Restricted Subsidiary of Borrower, and (ii) any Restricted Subsidiary of Borrower may declare and pay cash Dividends to its shareholders, members or partners generally, so long as Borrower or its respective Restricted Subsidiary which owns the Equity Interest in the Restricted Subsidiary paying such Dividends receives at least its proportionate share thereof (based upon its relative holding of the Equity Interest in the Restricted Subsidiary paying such Dividends and taking into account the relative preferences, if any, of the various classes of Equity Interests of such Restricted Subsidiary);

(b) so long as no Default exists immediately before or after giving effect thereto, Dividends to permit any direct or indirect parent of Borrower, and the substantially concurrent use of such payments by such parent, to repurchase or redeem Qualified Capital Stock of such parent held by officers, directors or employees or former officers, directors or employees (or their transferees, estates or beneficiaries under their estates) of any Company; *provided* that the aggregate amount of payments by the Companies to any direct or indirect parent of Borrower pursuant to this clause (b) shall not exceed, in any calendar year, \$2,000,000 (the “**Annual Redemption Limit**”) and in the aggregate, \$5,000,000 (the “**Maximum Redemption Amount**”); *provided, further* that if the aggregate amount of payments by the Companies to any direct or indirect parent of Borrower pursuant to this clause (b) for any calendar year is less than the Annual Redemption Limit, then the difference between those amounts shall be carried forward to allow payments to any direct or indirect parent of Borrower in succeeding periods to exceed the Annual Redemption Limit by the amount of such difference; *provided* that in no event shall the aggregate amount of all payments made by the Companies to any direct or indirect parent of Borrower pursuant to this clause (b) exceed the Maximum Redemption Amount;

(c) (A) to the extent actually used substantially concurrently by any direct or indirect parent of Borrower to pay such taxes, costs and expenses, payments by Borrower to or on behalf of any direct or indirect parent of Borrower in an amount sufficient to pay franchise taxes and other fees required to maintain the legal existence of any direct or indirect parent of Borrower and (B) payments by Borrower to or on behalf of any direct or indirect parent of Borrower in an amount sufficient to pay reasonable out-of-pocket legal, accounting and filing costs and other expenses in the nature of overhead in the ordinary course of business of any direct or indirect parent of Borrower, in the case of clauses (A) and (B) in an aggregate amount not to exceed \$2,000,000 in any calendar year;

(d) Permitted Tax Distributions by Borrower to any direct or indirect parent of Borrower, so long as a direct or indirect parent of Borrower uses such distributions substantially



concurrently to pay its taxes or distribute to its direct or indirect parent in order for such parent to pay its taxes;

(e) so long as no Default exists immediately before or after giving effect thereto and either (x) the Minimum Liquidity Condition shall be satisfied immediately after giving effect thereto ~~(but, for this purpose, determined without giving effect to clause (II) of the definition of Liquidity)~~ or (y) each of the Total Net Leverage Ratios, after giving effect to such Dividend on a Pro Forma Basis, would be no greater than 3.00:1.00; *provided*, that prior to the payment of any such Dividend, Borrower shall have delivered to the Administrative Agent an Officer's Certificate of Borrower certifying as to compliance with this clause (y) and containing the calculations (in reasonable detail) required by this clause (y), Dividends made or paid with the Net Equity Proceeds Amount (as determined immediately before giving effect to the payment of such Dividend);

(f) Dividends in an aggregate amount not to exceed the Available Amount on the date such Dividends are made (as determined immediately before giving effect to the payment of such Dividend), so long as (i) no Default exists immediately before or after giving effect thereto, (ii) at the time thereof and immediately after giving effect thereto, Borrower would be able to incur \$1 of additional Indebtedness pursuant to Section 4.10(a) of the Unsecured Notes Indenture (as in effect on the Third Amendment Effective Date), (iii) immediately after giving effect to each such Dividend, the Minimum Liquidity Condition shall be satisfied ~~(but, for this purpose, determined without giving effect to clause (II) of the definition of Liquidity)~~ and each of the Total Net Leverage Ratios, after giving effect to such Dividend on a Pro Forma Basis, would be no greater than 3.00:1.00, and (iv) prior to the payment of any such Dividend, Borrower shall have delivered to the Administrative Agent an Officer's Certificate of Borrower certifying as to compliance with preceding clauses (i) through (iii) and containing the calculations (in reasonable detail) required by preceding clauses (ii) and (iii);

(g) Borrower may pay a cash Dividend to any direct or indirect parent of Borrower, for the purpose of enabling any direct or indirect parent of Borrower to pay, and any direct or indirect parent of Borrower may pay, Permitted Management Fees so long as (i) no Event of Default exists immediately before or after giving effect thereto and (ii) the aggregate amount of such cash Dividend, when added to the aggregate amount of such Permitted Management Fee, does not exceed the aggregate amount permitted by the definition of "Permitted Management Fees";

(h) [Reserved];

(i) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests in Borrower, *provided, however*, that any such cash payment shall not be for the purpose of evading the limitation of the covenant described under this Section 6.08 (as determined in good faith by the Board of Directors, the chief executive officer or the chief financial officer of Borrower);

(j) Dividends made in order to enable any direct or indirect parent of Borrower to reimburse the Sponsors pursuant to the Management Agreement for their reasonable and documented out-of-pocket expenses in connection with the performance of services thereunder;

(k) Dividends made to any third-party owner of a Permitted Joint Venture to purchase or redeem such third party's ownership interests in such Permitted Joint Venture; *provided*, that (i) such third-party owner shall use the proceeds thereof to make an Investment in Borrower or a Subsidiary Guarantor or repay all or any portion of any Investment made by Borrower or a Subsidiary

Guarantor in respect of such third-party owner; or (ii) the amount of such Dividend shall not exceed the amount of Investments by Borrower or any Restricted Subsidiary then permitted by Section 6.04(q);

(l) Dividends made to any Restricted Subsidiary that substantially simultaneously uses such Dividends to make Dividends to or Investments in Borrower or Subsidiary Guarantors;

(m) Dividends of Equity Interests of Borrower or any of its Restricted Subsidiaries, or any Dividend to effect the repurchase, acquisition or retirements of Equity Interests of any direct or indirect parent of Borrower, in any such case deemed to occur upon the exercise or vesting of stock options, warrants or restricted stock or similar rights under employee benefit plans of Borrower, its Restricted Subsidiaries or any direct or indirect parent of Borrower if such Equity Interests represent all or a portion of the exercise price thereof and repurchases, acquisitions or retirements of Equity Interests or options to purchase Equity Interests in connection with the exercise or vesting of stock options, warrants or restricted stock to the extent necessary to pay applicable withholding Taxes;

(n) ~~So~~ long as no Default exists or would result therefrom, the declaration or payment of dividends on the common equity of Borrower, or Dividends to effect the declaration or payment of dividends on the common equity of any direct or indirect parent of Borrower, in either case following the first public offering of the common stock of Borrower or any such direct or indirect parent, of up to 6% per annum of the Net ~~Cash~~Equity Proceeds actually received by Borrower in any such public offering (and in the case of an offering of such common stock of any such direct or indirect parent, the Net ~~Cash~~Equity Proceeds actually contributed to the common equity of Borrower), other than public offerings with respect to Borrower's or such direct or indirect parent company's common stock registered on Form S-8; *provided* that no such declaration or payment of Dividends shall be made to the extent any such Net ~~Cash~~Equity Proceeds that are included in the determination of Net Equity Proceeds Amount have been used pursuant to Section 6.04(o), Section 6.08(e) and/or clause (i) of Section 6.10(a);

(o) Dividends by Borrower or any Restricted Subsidiary to an Affiliate in an aggregate amount not to exceed, when combined with any outstanding Investments made pursuant to Section 6.04(v) (calculated without regard to write-downs or write-offs thereof), \$120,000,000 so long as (i) immediately before and after giving effect to the making of such Dividends, no Default then exists, (ii) the proceeds from such Dividend shall be used by an Affiliate of Borrower or any Restricted Subsidiary to finance, in whole or in part, the construction, completion and commissioning of a new Rig and related assets and (iii) such Affiliate shall have entered into a drilling contract with an oil company with a term that expires no earlier than two years after the original scheduled date of completion of the construction of such Rig; *provided* that availability under this clause (o) shall be replenished at such time as (A) such Affiliate contributes such Rig to Borrower or a Subsidiary Guarantor and Borrower or such Subsidiary Guarantor has taken all actions set forth in Section 5.10(d) to grant a security interest in such Rig to the Collateral Agent for the benefit of the Secured Parties or (B) such Affiliate becomes a Subsidiary Guarantor and complies with the requirements set forth in Sections 5.10(b), (c) and (d).

(p) so long as no Default then exists or would result therefrom, Dividends solely for the payment of scheduled or accrued dividends on the Preferred Instrument in an aggregate amount not to exceed in any calendar year the lesser of (x) \$20,000,000 and (y) the unpaid scheduled or accrued dividends on the Preferred Instrument; *provided, however*, that at the time of Borrower's payment of such Dividends, Borrower is entitled to incur an additional \$1 of Indebtedness pursuant to Section 4.10(a) of the Unsecured Notes Indenture (as in effect on the Third Amendment Effective Date);

(q) non-cash Dividend by Borrower consisting of the Restructuring Transactions Receivable (or any equity of a parent of Borrower received in lieu thereof) solely in connection with the Restructuring Transactions; and

(r) Dividends made prior to the Third Amendment Effective Date in accordance with this Agreement prior to giving effect to the Third Amendment (other than (x) Dividends made under clause (e) above to the extent made on or after July 1, 2016, which Dividends shall continue to be justified solely under clause (e) above, (y) Dividends made under clause (f) above to the extent made on or after October 1, 2016 to the extent such Dividends were not made using the Available Amount (as defined prior to giving effect to the Second Amendment) accrued through June 30, 2016, which Dividends shall continue to be justified solely under clause (f) above and (z) Dividends made pursuant to clause (o) above before the Third Amendment Effective Date, which Dividends shall continue to be justified solely under clause (o) above).

In the event that a Dividend meets the criteria of more than one of the above clauses of this Section 6.08, Borrower may classify, and from time to time may reclassify, such Dividend if such classification would be permitted at the time of such reclassification. Notwithstanding anything to the contrary contained above in this Section 6.08, in no event shall any Company purchase, acquire or otherwise redeem or retire for value any of the Preferred Instrument prior to the date on which Borrower shall have received at least \$150,000,000 in the aggregate of Net Equity Proceeds after the Third Amendment Effective Date. Notwithstanding anything to the contrary contained above in this Section 6.08, from the date on which the amendments to this Agreement set forth in that certain amendment letter dated as of February 13, 2019, among the Borrower, the Lenders party thereto and the Administrative Agent, become effective (the "Letter Amendment Effective Date"), each Loan Party shall not (and shall cause each Company not to) declare or pay, directly or indirectly, any Dividends or incur any obligation (contingent or otherwise) to do so, in each case pursuant to Sections 6.08(e)(x), (n), (o) or (p), unless (i) each Total Net Leverage Ratio, after giving effect to any such Dividend on a Pro Forma Basis, is less than or equal to 4.50:1.00 and (ii) prior to the payment of any such Dividend, Borrower shall have delivered to the Administrative Agent an Officer's Certificate of Borrower certifying as to compliance with preceding clause (i) and containing the calculations (in reasonable detail) required by preceding clause (i). In addition, notwithstanding anything to the contrary contained above in this Section 6.08 or in Section 6.09, from and after the Letter Amendment Effective Date, each Loan Party shall not (and shall cause each Company not to) declare or pay, directly or indirectly, any payment of Permitted Management Fees pursuant to Sections 6.08(g) or 6.09(e) or reimburse the Sponsors for their reasonable and documented out-of-pocket expenses for performing management services pursuant to Sections 6.08(j) or 6.09(f). Notwithstanding anything to the contrary contained above in this Section 6.08, during the Fifth Amendment Period, each Loan Party shall not (and shall cause each Company not to) declare or pay, directly or indirectly, any cash Dividends or incur any obligation (contingent or otherwise) to do so, in each case pursuant to Section 6.08(b), (e), (f), (n), (o) or (p).

**Section 6.09 Transactions with Affiliates.** Enter into, directly or indirectly, any transaction or series of related transactions, whether or not in the ordinary course of business, with any Affiliate of any Company (other than between or among Borrower and one or more Subsidiary Guarantors), involving aggregate payments or consideration in excess of \$1,000,000, other than on terms and conditions substantially as favorable to such Company as would reasonably be obtained by such Company at that time in a comparable arm's-length transaction with a person other than an Affiliate, except that the following shall be permitted:

(a) Dividends and other transactions permitted by Section 6.08;

(b) Investments permitted by Section 6.04, Liens permitted by Section 6.02 and Indebtedness permitted by Section 6.01;

(c) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements entered into in the ordinary course of business;

(d) (A) transactions between or among (i) the Loan Parties to the extent not otherwise restricted by this Agreement or (ii) Companies that are not Loan Parties to the extent not otherwise restricted by this Agreement, or (B) transactions in the ordinary course of business between or among Borrower and its Restricted Subsidiaries to the extent not otherwise restricted by this Agreement;

(e) the payment of Permitted Management Fees;

(f) the reimbursement of the Sponsors pursuant to the Management Agreement for their reasonable and documented out-of-pocket expenses for performing management services to or for the Companies in an aggregate amount not to exceed in any fiscal year of Borrower, when combined with the aggregate amount of Permitted Management Fees paid in any fiscal year of Borrower, \$6,500,000;

(g) tax sharing arrangements among Borrower and its Subsidiaries on customary terms;

(h) transactions with customers, clients, suppliers, joint venture partners or purchasers or sellers of goods and services, in each case in the ordinary course of business and otherwise not prohibited by the Loan Documents which are fair to Borrower and its Restricted Subsidiaries, in the reasonable determination of the Board of Directors of Borrower or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party (as determined by the Board of Directors, the chief executive officer or the chief financial officer of Borrower in good faith);

(i) transactions in the ordinary course with Permitted Joint Ventures in which Borrower or a Restricted Subsidiary of Borrower holds or acquires an ownership interest (whether by way of Equity Interests or otherwise) so long as the terms of any such transactions are not materially less favorable to Borrower or such Restricted Subsidiary than they are to third-party joint venture partners; and

(j) transactions with Affiliates of Borrower (other than Ultimate Parent or any of its Subsidiaries) solely in their capacity as holders of Indebtedness or Equity Interests of Borrower or any Restricted Subsidiary, provided, that (i) a significant amount of the Indebtedness or Equity Interests of the same class is also held by persons that are not Affiliates of Borrower, (ii) any such transaction is with all holders of the applicable class of Indebtedness or Equity Interests and (iii) such Affiliates are treated no more favorably than non-Affiliate holders of such Indebtedness or Equity Interests generally.

**Section 6.10 Prepayments of Other Indebtedness; Modifications of Organizational Documents, Acquisition and Certain Other Documents, etc.** Directly or indirectly:

(a) make or offer to make (or give any notice in respect thereof) (x) any voluntary or optional payment or prepayment on or redemption, retirement, defeasance, or acquisition for value of any Senior Secured Notes, any Additional Second Lien Debt, any Additional Unsecured Debt or any Subordinated Indebtedness, (y) any prepayment or redemption as a result of any asset sale, change of control or similar event of, any Senior Secured Notes, any Additional Second Lien Debt, any Additional

Unsecured Debt or any Subordinated Indebtedness, or (z) any other payment, prepayment, redemption, retirement, defeasance or acquisition for value (whether in respect of principal, interest or other amounts) of any Subordinated Indebtedness constituting intercompany Indebtedness between or among Borrower and its Subsidiaries or between or among such Subsidiaries; *provided, however*, (i) so long as (A) no Default exists immediately before or after giving effect thereto ~~and~~, (B) either (x) the Minimum Liquidity Condition shall be satisfied immediately after giving effect thereto ~~(but, for this purpose, determined without giving effect to clause (II) of the definition of Liquidity)~~ or (y) each of the Total Net Leverage Ratios, after giving effect to such payment on a Pro Forma Basis, would be no greater than 3.00:1.00 and (C) solely with respect to any such prepayment, payment, redemption, retirement, defeasance or acquisition during the Fifth Amendment Period, (i) the Senior Secured Leverage Ratio, after giving effect to such prepayment, payment, redemption, retirement, defeasance or acquisition on a Pro Forma Basis, would be no greater than 1.00:1.00 and (ii) the Minimum Liquidity Condition shall be satisfied immediately after giving effect thereto, Borrower may make any such prepayment, payment, redemption, retirement, defeasance or acquisition of any such Indebtedness with the Net Equity Proceeds Amount (as determined immediately before giving effect to the making of any such payment), (ii) Borrower may make any such prepayment, payment, redemption, retirement, defeasance or acquisition of any such Indebtedness paid or made with the Available Amount on the date of such prepayment, payment, redemption, retirement, defeasance or acquisition is made (as determined immediately before giving effect to any such prepayment, payment, redemption, retirement, defeasance or acquisition), so long as (A) no Default exists immediately before or after giving effect thereto, (B) at the time thereof and immediately after giving effect thereto, Borrower would be able to incur \$1 of additional Indebtedness pursuant to Section 4.10(a) of the Unsecured Notes Indenture (as in effect on the Third Amendment Effective Date), (C) immediately after giving effect thereto, the Minimum Liquidity Condition shall be satisfied, ~~(but, for this purpose, determined without giving effect to clause (II) of the definition of Liquidity) and~~ (D) solely with respect to any such prepayment, payment, redemption, retirement, defeasance or acquisition prior to the date of the Fifth Amendment or after the Termination Date, each of the Total Net Leverage Ratios, after giving effect to such payment on a Pro Forma Basis, would be no greater than 3.00:1.00, (E) solely with respect to any such prepayment, payment, redemption, retirement, defeasance or acquisition during the Fifth Amendment Period, the Senior Secured Leverage Ratio, after giving effect to such prepayment, payment, redemption, retirement, defeasance or acquisition on a Pro Forma Basis, would be no greater than 1.00:1.00, and ~~(D)~~ prior to the consummation thereof, Borrower shall have delivered to the Administrative Agent an Officer's Certificate of Borrower certifying as to compliance with ~~the clauses (A) through (E)~~ as applicable, and containing the calculations (in reasonable detail) required by preceding ~~clause~~ clauses (B), (C), (D) and (E), as applicable, (iii) so long as no Default exists immediately before or after giving effect thereto, Borrower may make any such prepayment, payment, redemption, retirement, defeasance or acquisition of any such Indebtedness (other than Subordinated Indebtedness) to the extent made with (x) in the case of any Indebtedness that is secured by a junior Lien on the Collateral, the net cash proceeds of Additional Second Lien Debt or Additional Unsecured Debt, in each such case, permitted to be issued hereunder or (y) in the case of any unsecured Indebtedness, the net cash proceeds of Additional Unsecured Debt permitted to be issued hereunder, (iv) so long as no Default exists immediately before or after giving effect thereto, Borrower may make any such prepayment, payment, redemption, retirement, defeasance or acquisition of any outstanding Senior Secured Notes of the type described in clause (x) of the definition thereof and (v) notwithstanding the foregoing, a Loan Party may make any payments, prepayments, redemptions, retirements, defeasances or acquisitions for value (whether voluntary or mandatory, and whether in respect of principal, interest or other amounts) on any intercompany Indebtedness, except if an Event of Default exists and is continuing, (x) no Loan Party may make any payments, prepayments, redemptions, retirements, defeasances or acquisitions for value (whether voluntary or mandatory, and whether in respect of principal, interest or other amounts) on any intercompany Indebtedness owed to a Company that is not a Loan Party unless Borrower has received the prior written consent of the Administrative Agent and (y) no Loan Party may make any payments, prepayments, redemptions, retirements,



defeasances or acquisitions for value (whether voluntary or mandatory, and whether in respect of principal, interest or other amounts) on any intercompany Indebtedness owed to another Loan Party to the extent that Borrower has received a written notice from the Administrative Agent that such payments are no longer permitted;

(b) designate any Indebtedness, other than the Loan Documents, as a “Credit Facility” (or similar terms) for purposes of the Intercreditor Agreement;

(c) amend or modify, or permit the amendment or modification of, any provision of the Purchase Agreements, the Management Agreement, any Material Agreement, any Senior Secured Notes Document, any Additional Second Lien Debt Document, any Additional Unsecured Debt Document or any Subordinated Indebtedness in any manner that is, or could reasonably be expected to be, materially adverse to the interests of the Administrative Agent, the Collateral Agent or the Lenders (it being understood and agreed that, in no event, shall (x) the Management Agreement be amended or modified to increase the payment of any fees thereunder, (y) the interest rate on any Senior Secured Notes or any Additional Second Lien Debt be increased more than that permitted by the Intercreditor Agreement and (z) any Additional Second Lien Debt Document or any Additional Unsecured Debt Document be amended or modified to the extent that the Additional Second Lien Debt or the Additional Unsecured Debt, as the case may be, in the amended or modified form, would not be able to be entered into or incurred at such time pursuant to Section 6.01(o)); it being further understood and agreed that (x) in no event shall any amendment or modification to any Senior Secured Notes Document or Additional Second Lien Debt Document be deemed to be materially adverse to the interests of any Agent or Lender to the extent such Senior Secured Notes Document or Additional Second Lien Debt, in the amended or modified form, would meet the requirements of the definition of “Additional Second Lien Debt” and would otherwise be permitted by the Intercreditor Agreement (*provided* that no additional fees (other than customary consent fees or arrangement fees) or prepayment or redemption premiums thereon shall be added), and (y) in no event shall any amendment or modification to any Additional Unsecured Debt Document be deemed to be materially adverse to the interests of any Agent or Lender to the extent such Additional Unsecured Debt, in the amended or modified form, would meet the requirements of the definition of “Additional Unsecured Debt” (*provided* that the interest rate thereon may not be increased by more than the amount thereof that would be permitted by the Intercreditor Agreement if such Additional Unsecured Debt was a Senior Secured Note and no additional fees (other than customary consent fees or arrangement fees) or prepayment or redemption premiums shall be added thereto); or

(d) terminate, amend, modify (including electing to treat any Investment Property as a “security” under Section 8-103 of the UCC) or change any of its Organizational Documents (including by the filing or modification of any certificate of designation (or similar instrument) with respect to any Preferred Stock) or any agreement to which it is a party with respect to its Equity Interests (including any stockholders’ agreement), or enter into any new agreement with respect to its Equity Interests, other than any such amendments, modifications or changes or such new agreements which are not, and could not reasonably be expected to be, materially adverse to the interests of the Administrative Agent, the Collateral Agent or the Lenders.

**Section 6.11 Limitation on Certain Restrictions on Restricted Subsidiaries.** Directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance, restriction or condition on the ability of any Restricted Subsidiary of Borrower to (i) pay Dividends or make any other distributions on its Equity Interests or any other interest or participation in its profits owned by any Company, or pay any Indebtedness owed to any Company, (ii) make loans or advances to any Company or (iii) transfer any of its properties to any Company, except for such encumbrances, restrictions or conditions existing under or by reason of:



- (a) applicable mandatory Legal Requirements;
- (b) this Agreement and the other Loan Documents;
- (c) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of a Restricted Subsidiary;
- (d) customary provisions restricting assignment of any agreement entered into by a Restricted Subsidiary in the ordinary course of business;
- (e) customary restrictions and conditions contained in any agreement relating to the sale or other disposition of any property pending the consummation of such sale; *provided* that (i) such restrictions and conditions apply only to the property to be sold, and (ii) such sale or other disposition is permitted hereunder;
- (f) any agreement in effect (i) at the time such Restricted Subsidiary becomes a Restricted Subsidiary of Borrower, so long as such agreement was not entered into in connection with or in contemplation of such person becoming a Restricted Subsidiary of Borrower and such restriction does not apply to any Company other than the Restricted Subsidiary so acquired or (ii) on the Closing Date;
- (g) any agreement relating to a Lien permitted by Section 6.02 restricting the transfer of property subject thereto;
- (h) any encumbrances or restrictions imposed by any amendments or refinancings that are otherwise permitted by the Loan Documents of the contracts, instruments or obligations referred to in clauses (c) through (f) above; *provided* that such amendments or refinancings are otherwise permitted under this Section 6.11 and are not materially more restrictive with respect to such encumbrances and restrictions than those prior to such amendment or refinancing; or
- (i) restrictions contained in any Senior Secured Notes Documents, any Additional Second Lien Debt Documents or any Additional Unsecured Debt Documents;
- (j) restrictions on cash or other deposits or net worth imposed by suppliers or landlords under contracts entered into in the ordinary course of business;
- (k) customary provisions in joint venture agreements and other similar agreements relating solely to such Permitted Joint Venture;
- (l) any instrument governing Indebtedness assumed in connection with any Permitted Acquisition, which encumbrance or restriction is not applicable to any person, or the properties or assets of any person, other than the person or the properties or assets of the person so acquired, so long as such Indebtedness was permitted by this Agreement; or
- (m) restrictions (i) which are not more restrictive (taken as a whole) than those contained in this Agreement contained in any documents governing Indebtedness incurred after the Closing Date in accordance with the provisions of this Agreement or (ii) which are customary for instruments of such type and will not materially adversely impact the ability of Borrower and its Restricted Subsidiaries to make required payments of principal, interest or premium or other amounts, if any, on their Indebtedness (under the Loan Documents).

**Section 6.12 Limitation on Issuance of Capital Stock.** (a) With respect to Borrower, issue any Equity Interest that is Disqualified Capital Stock.

(b) With respect to any Restricted Subsidiary of Borrower, issue any Equity Interest (including by way of sales of treasury stock) or any options or warrants to purchase, or securities convertible into, any Equity Interest, except (i) for stock splits, stock dividends and additional issuances of Equity Interests which do not decrease the percentage ownership of Borrower or any of its Restricted Subsidiaries in any class of the Equity Interests of such Restricted Subsidiary, (ii) Restricted Subsidiaries of Borrower formed or acquired after the Closing Date in accordance with this Agreement may issue Equity Interests that is Qualified Capital Stock to Borrower or the Wholly Owned Restricted Subsidiary of Borrower or other equity holders which are to own such Equity Interests so long as, in the case of a Restricted Subsidiary of Borrower that is not a Wholly Owned Restricted Subsidiary, such Restricted Subsidiary was formed or acquired in accordance with a transaction permitted by Sections 6.04(b), (o), (p), or (q), (iii) Restricted Subsidiaries of Borrower may issue Equity Interests to Borrower, (iv) issuances by any Restricted Subsidiary to local nationals required to satisfy Legal Requirements applicable to the issuing Restricted Subsidiary or in connection with a drilling contract entered into with a government or state-owned company and any Restricted Subsidiary of Borrower and (v) with respect to any Restricted Subsidiary (other than a Subsidiary Guarantor), issuances of Qualified Capital Stock of such Restricted Subsidiary to the extent treated as a disposition pursuant to (and only to the extent then permitted by) Section 6.06(b). All Equity Interests issued in accordance with this Section 6.12(b) shall, to the extent required by Sections 5.10 and 5.11 or any Security Document, be delivered to the Collateral Agent for pledge pursuant to the applicable Security Document.

**Section 6.13 Business.** Engage (directly or indirectly) in any businesses other than those businesses in which Borrower and its Restricted Subsidiaries are engaged on the Closing Date (or which are reasonably related thereto or are reasonable extensions or supplements thereof).

**Section 6.14 Limitation on Accounting Changes.** Make or permit any change in accounting policies or reporting practices, without the consent of the Administrative Agent, which consent shall not be unreasonably withheld or delayed, except changes that are required or permitted by GAAP (subject in each case to the provisions of Section 1.03).

**Section 6.15 Fiscal Periods.** Change its fiscal year-end and fiscal quarter-ends to dates other than March 30, June 30, September 30 and December 31, respectively.

**Section 6.16 No Further Negative Pledge.** Enter into any agreement, instrument, deed or lease which prohibits or limits the ability of any Company to create, incur, assume or suffer to exist any Lien upon any of its properties or revenues, whether now owned or hereafter acquired, or which requires the grant of any security for an obligation if security is granted for another obligation, except the following: (a) this Agreement and the other Loan Documents; (b) documents creating Liens permitted by Sections 6.02(c), (d), (h), (i), (j), (m), (v), (x) and (ee) or any Permitted Lien of the foregoing types permitted by Section 6.02(w), in each case prohibiting further Liens on the properties encumbered thereby; (c) the Senior Secured Notes Documents and the Additional Second Lien Debt Documents, *provided* that the restrictions thereunder shall not prohibit any Liens on the assets of the Companies to secure the Obligations so long as such Obligations are otherwise permitted under such documents; and (d) any prohibition or limitation (i) that exists pursuant to applicable Legal Requirements, (ii) that consists of customary restrictions and conditions contained in any agreement relating to the sale or other disposition of any property pending the consummation of such sale; *provided* that (1) such restrictions apply only to the property to be sold and such sale is permitted hereunder, and (2) such sale is permitted hereunder, (iii) that restricts subletting or assignment of any lease governing a leasehold interest of Borrower or one of its Restricted Subsidiaries, (iv) that consists of customary provisions restricting

assignments of any agreement entered into in the ordinary course of business, (v) that is contained in joint venture agreements that only apply to the Permitted Joint Venture subject thereto, (vi) that consists of Drilling Contract Lien Restrictions with respect to any Rig that is or becomes an Excluded Rig or (vii) that is contained in any Bank Product Agreement so long as such restrictions are only on the respective bank account or accounts and the cash and Cash Equivalents in such bank account or accounts that are subject to such Bank Product Agreement.

**Section 6.17 Anti-Terrorism Law; Anti-Money Laundering.** (a) Directly or indirectly, (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in Section 3.20(b)(i) or (b)(ii), (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or any other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law (and the Loan Parties shall deliver to the Lenders any certification or other evidence requested from time to time by any Lender in its reasonable discretion, confirming the Companies' compliance with this Section 6.17).

(b) Cause or permit any of the funds of such Loan Party that are used to repay the Credit Extensions (including any Credit Extensions using the Incremental Revolving Commitments) to be derived from any unlawful activity with the result that the making of the Credit Extensions (including any Credit Extensions using the Incremental Revolving Commitments) would be in violation of Legal Requirements.

**Section 6.18 Sanctions.** Become a Restricted Party, directly or, to its knowledge, indirectly use the proceeds of the Revolving Loans or use the Letters of Credit or Bank Guarantees, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint-venture partner or other Person, (a) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the target of Sanctions (except to the extent permissible for a Person required to comply with Sanctions), or (B) in any other manner that would result in a violation of Sanctions by any Person party hereto (including any Person participating in the Revolving Loans, Letters of Credit or Bank Guarantees, whether as an Agent, Guarantee Bank, Issuing Bank, Lender, underwriter, advisor, investor, or otherwise).

**Section 6.19 Jurisdiction of Employment.** No Company will, nor will it permit any third party charterer of a Rig to employ or cause to be employed any Rig in any country or jurisdiction in which (i) such Company or such third party charterer of a Rig is prohibited by law from doing business unless employing such Company or such third party charterer could not reasonably be expected to result in a Material Adverse Effect, (ii) the Lien created by the Collateral Rig Mortgage on a Collateral Rig will be rendered unenforceable or (iii) the Collateral Agent's foreclosure or enforcement rights therein will be materially impaired or hindered.

**Section 6.20 Financial Covenant.** Permit ~~either Total Net Leverage Ratio (a)~~ as of the last day of any Test Period (i) from and after the Test Period ending September 30, 2018 to and including the Test Period ending December 31, 2020 and (ii) as of the last day of any Test Period ending after the Termination Date, either Total Net Leverage Ratio to be greater than the applicable TNLR Threshold and (b) as of the last day of any Test Period ending after January 1, 2021 but on or before the Termination Date, either the Senior Secured Leverage Ratio to exceed 1.50:1.00 or the Consolidated Coverage Ratio to be less than 1.50:1.00; provided, that when determining whether a Default exists for purposes of Section 4.02(b) in connection with the incurrence or issuance of a Financial Letter of Credit, a Financial Bank Guarantee and/or Revolving Loan, the calculation of compliance with this Section 6.20 shall be determined on a Pro Forma Basis (giving *pro forma* effect, for the avoidance of doubt, to the requested

Credit Extension~~);~~ and, in the case of calculating either Total Net Leverage Ratio or the Senior Secured Leverage Ratio (as applicable), also including all other outstanding Revolving Loans on such date of incurrence (to the extent not otherwise included in such calculation)) for the then most recently ended Test Period for which financial statements have been delivered to the Administrative Agent and the Lenders pursuant to Section 5.01(a) or (b), as applicable.

**Section 6.21 Minimum Liquidity Condition.** Permit Liquidity at any time to be less than the Minimum Liquidity Condition.

**Section 6.22 Collateral Rig Market Values.** Permit the aggregate Collateral Rig Market Values of all Designated Collateral Rigs (including, for this purpose, as provided in the proviso to the definition of Collateral Rig Market Value, the Newbuild Rigs) at any time to be less than 140% of the aggregate amount of all Revolving Commitments at such time (based on the most recently delivered reports of Approved Brokers valuing the Designated Collateral Rigs (including, for this purpose, as provided in the proviso to the definition of Collateral Rig Market Value, the Newbuild Rigs)).

## **ARTICLE VII GUARANTEE**

**Section 7.01 The Guarantee.** The Guarantors hereby, jointly and severally, guarantee, as primary obligors and not as sureties, to each Secured Party and their respective successors and assigns, the prompt payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of the Title 11 of the United States Code after any bankruptcy or insolvency petition under Title 11 of the United States Code) on the Revolving Loans made by the Lenders to, and the Revolving Notes, if any, held by each Lender of, Borrower, all unpaid LC Reimbursement Obligations, all unpaid Bank Guarantee Reimbursement Obligations and all other Secured Obligations from time to time owing to the Secured Parties by any Loan Party under any Loan Documents, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the “**Guaranteed Obligations**”). The Guarantors hereby jointly and severally agree that if Borrower or other Guarantor(s) shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

**Section 7.02 Obligations Unconditional.** The obligations of the Guarantors under Section 7.01 shall constitute a guaranty of payment and performance and not of collection and to the fullest extent permitted by applicable Legal Requirements, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations under this Agreement, the Revolving Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Guarantor (except for payment in full in cash of the Guaranteed Obligations). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above:

(a) at any time or from time to time, without notice to the Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of this Agreement or the Revolving Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;

(c) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under the Loan Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(d) any Lien or security interest granted to, or in favor of, any Secured Party as security for any of the Guaranteed Obligations shall fail to be valid, perfected or to have the priority required under the Loan Documents; or

(e) the release of any other Guarantor pursuant to Section 7.09.

The Guarantors hereby expressly waive diligence, presentment, demand of payment, protest, and all notices whatsoever, and any requirement that any Secured Party exhaust any right, power or remedy or proceed against Borrower or any Guarantor under this Agreement or the Revolving Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Guarantors waive any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Secured Party upon this Guarantee or acceptance of this Guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee, and all dealings between Borrower and the Secured Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. This Guarantee shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment and performance without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by the Secured Parties, and the obligations and liabilities of the Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Secured Parties or any other person at any time of any right or remedy against Borrower or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantors and their respective successors and assigns, and shall inure to the benefit of the Secured Parties, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

**Section 7.03 Reinstatement.** The obligations of the Guarantors under this Article VII shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Borrower or other Loan Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

**Section 7.04 Subrogation; Subordination.** Each Guarantor hereby agrees that until the indefeasible payment and satisfaction in full in cash of all Guaranteed Obligations (other than indemnification obligations not then due or payable) and the expiration and termination of the Revolving



Commitments of the Lenders under this Agreement and all Letters of Credit and Bank Guarantees it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 7.01, whether by subrogation or otherwise, against Borrower or any other Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations. Any Indebtedness of any Loan Party permitted pursuant to Section 6.04(f) shall be subordinated to such Loan Party's Secured Obligations; *provided* that upon the payment and satisfaction in full of all Guaranteed Obligations (other than contingent indemnity obligations) and the expiration or termination of the Revolving Commitments of the Lenders under this Agreement and the cancellation or expiration of all Letters of Credit and Bank Guarantees, without any further action by any person and subject to applicable law, the Guarantors shall be automatically subrogated to the rights of the Administrative Agent and the Lenders to the extent of any payment hereunder.

**Section 7.05 Remedies.** The Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of Borrower under this Agreement and other Loan Documents may be declared to be forthwith due and payable as provided in Article VIII (and shall be deemed to have become automatically due and payable in the circumstances provided in Article VIII) for purposes of Section 7.01, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by Borrower) shall forthwith become due and payable by the Guarantors for purposes of Section 7.01.

**Section 7.06 Instrument for the Payment of Money.** Each Guarantor hereby acknowledges that the guarantee in this Article VII constitutes an instrument for the payment of money, and consents and agrees that any Lender or Agent, at its sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

**Section 7.07 Continuing Guarantee.** The guarantee in this Article VII is a continuing guarantee of payment and performance, and shall apply to all Guaranteed Obligations whenever arising.

**Section 7.08 General Limitation on Guarantee Obligations.** In any action or proceeding involving any state corporate, limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other Legal Requirement affecting the rights of creditors generally, if the obligations of any Guarantor under Section 7.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 7.01, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Loan Party or any other person, be automatically limited and reduced to the highest amount (after giving effect to the rights of subrogation and contribution established in Sections 7.04 and 7.10, respectively) that is valid and enforceable, not void or voidable and not subordinated to the claims of other creditors as determined in such action or proceeding.

**Section 7.09 Release of Guarantors.** If, in compliance with the terms and provisions of the Loan Documents, all of the Equity Interests of any Subsidiary Guarantor are sold or otherwise transferred to a person or persons (other than any Company or any Affiliate thereof) or any Subsidiary is designated an Unrestricted Subsidiary (in any such case, a “**Transferred Subsidiary Guarantor**”), such Transferred Subsidiary Guarantor shall, upon the consummation of such sale or transfer or designation, be automatically released from its obligations under this Agreement (including under Section 11.03) and its obligations to pledge and grant any Collateral (including any Lien thereon) owned by it pursuant to any Security Document and, in the case of the sale of all of the Equity Interests of the Transferred



Subsidiary Guarantor, the pledge of such Equity Interests to the Collateral Agent pursuant to the Security Documents shall be released, and, so long as Borrower shall have previously provided the Collateral Agent and the Administrative Agent such certifications or documents as the Collateral Agent and/or the Administrative Agent as shall reasonably request, the Lenders hereby irrevocably authorize the Administrative Agent and the Collateral Agent to take such actions as are necessary to effect each release described in this Section 7.09 in accordance with the relevant provisions of the Security Documents.

**Section 7.10 Right of Contribution.** Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 7.04. The provisions of this Section 7.10 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent, the Issuing Bank, the Guarantee Bank and the Lenders, and each Guarantor shall remain liable to the Administrative Agent, the Issuing Bank, the Guarantee Bank and the Lenders for the full amount guaranteed by such Guarantor hereunder.

## **ARTICLE VIII EVENTS OF DEFAULT**

**Section 8.01 Events of Default.** Upon the occurrence and during the continuance of any of the following events (each, an “**Event of Default**”):

(a) default shall be made in the payment of any principal of any Revolving Loan, any LC Reimbursement Obligation or any Bank Guarantee Reimbursement Obligation when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment (whether voluntary or mandatory) thereof or by acceleration thereof or otherwise;

(b) default shall be made in the payment of any interest on any Credit Extension or any Fee or any other amount (other than an amount referred to in clause (a) above) due under any Loan Document, when and as the same shall become due and payable, whether at the due date thereof (including an Interest Payment Date) or at a date fixed for prepayment (whether voluntary or mandatory) or by acceleration or demand thereof or otherwise, and such default shall continue unremedied for a period of five Business Days after the occurrence thereof;

(c) any representation or warranty made or deemed made in or in connection with any Loan Document or the borrowings of Revolving Loans or issuances of Letters of Credit or Bank Guarantees hereunder, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished;

(d) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in Section 5.02(a), 5.03(a) (as to the legal existence of a Loan Party), 5.08, 5.10, 5.14(h), 5.15, 5.16(a) (as it relates to the Newbuild Subsidiaries, 5.16(e) (as it relates to the Newbuild Subsidiaries and Newbuild Rigs), 5.18 or 5.19 or in Article VI;

(e) default shall be made in the due observance or performance by any Company of any covenant, condition or agreement contained in any Loan Document (other than those specified in clause (a), (b) or (d) immediately above) and such default shall continue unremedied or shall not be

waived for a period of 30 days after notice thereof to Borrower by the Administrative Agent or the Required Lenders;

(f) any Company shall (i) fail to pay any principal or interest, regardless of amount, due in respect of any Indebtedness (other than the Obligations), when and as the same shall become due and payable beyond any applicable grace period, or (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such Indebtedness if the effect of any failure referred to in this clause (ii) is to cause, or to permit the holder or holders of such Indebtedness or a trustee or other representative on its or their behalf (with or without the giving of notice) to cause, such Indebtedness to become due prior to its stated maturity or become subject to a mandatory offer to purchase by the obligor; *provided* that it shall not constitute an Event of Default pursuant to this clause (f) unless the aggregate amount of all such Indebtedness referred to in preceding clauses (i) and (ii) equals or exceeds \$25,000,000 at any one time;

(g) an Insolvency Proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any Company or of a substantial part of the property of any Company, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar Legal Requirement, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator, liquidator, rehabilitator or similar official for any Company or for a substantial part of the property of any Company, without the application or consent of any such Company and the appointment continues undischarged or unstayed for 60 days, or (iii) the winding-up or liquidation of any Company; and such proceeding or petition shall continue undismissed or unstayed for 60 days or an Order approving or ordering any of the foregoing shall be entered;

(h) any Company shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar Legal Requirement, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any Insolvency Proceeding or the filing of any petition described in clause (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator, liquidator, rehabilitator or similar official for any Company or for a substantial part of the property of any Company, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due, (vii) except as permitted in Section 6.05, wind up or liquidate, or (viii) take any action for the purpose of effecting any of the foregoing;

(i) one or more Orders for the payment of money in an aggregate amount of \$25,000,000 or more (that are not covered by insurance from an unaffiliated insurance company, it being understood that even if such amounts are covered by insurance from such an insurance company, such amounts shall count against such basket if responsibility for such amounts has been denied by such insurance company in writing) shall be rendered against any Company or any combination thereof and the same shall remain undischarged, unvacated or unbonded for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon properties of any Company to enforce any such Order;

(j) one or more ERISA Events shall have occurred, or noncompliance with respect to Foreign Plans shall have occurred that, when taken together with all other such ERISA Events and noncompliance with respect to Foreign Plans that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(k) with respect to Collateral having an aggregate Fair Market Value in excess of \$25,000,000, any security interest and Lien purported to be created by any Security Document (x) shall cease to be in full force and effect, or shall cease to give the Collateral Agent, for the benefit of the Secured Parties, the Liens, rights, powers and privileges purported to be created and granted under such Security Documents (including a valid, enforceable, perfected first priority security interest in and Lien on, all of the Collateral thereunder (except (i) as otherwise expressly provided in this Agreement or such Security Document or (ii) to the extent that any such loss of perfection or priority results from the failure of the Collateral Agent to maintain possession of certificates or instruments actually delivered to it by a Loan Party representing securities pledged under the Security Documents)) in favor of the Collateral Agent, unless, in any of the foregoing cases, Borrower cures (or causes the cure of) such failure within 60 days, or (y) shall be asserted by or on behalf of any Company not to be, a valid, enforceable, perfected, first priority (except as otherwise expressly provided in this Agreement or such Security Document) security interest in or Lien on the Collateral covered thereby;

(l) any Loan Document or any material provisions thereof shall at any time and for any reason be declared by a court of competent jurisdiction to be null and void, or a proceeding shall be commenced by or on behalf of any Loan Party or the Ultimate Parent or any other person, or by any Governmental Authority, seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or any Company (directly or indirectly) shall deny, repudiate, revoke, terminate or rescind (or purport to do any of the foregoing) any portion of its liability or obligation for the Obligations;

(m) there shall have occurred a Change in Control; or

(n) any Governmental Authority shall have condemned, nationalized, seized, or otherwise expropriated all or any part of the property, Equity Interests or other assets of any Company, or shall have assumed custody or control of the property or other assets or of the business or operations of any Company, and the result of any of the foregoing could reasonably be expected to result in a Material Adverse Effect;

then, and in every such event (other than an event with respect to Borrower described in clause (g) or (h) above), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to Borrower, take any or all of the following actions, at the same or different times: (i) terminate forthwith the Revolving Commitments; (ii) declare the Revolving Loans, LC Reimbursement Obligations and Bank Guarantee Reimbursement Obligations then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Revolving Loans, LC Reimbursement Obligations and Bank Guarantee Reimbursement Obligations so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Loan Parties, anything contained herein or in any other Loan Document or otherwise to the contrary notwithstanding; and (iii) exercise any and all of its other rights and remedies under applicable Legal Requirements, hereunder and under the other Loan Documents; and in any event with respect to Borrower described in clause (g) or (h) above, the Revolving Commitments shall automatically terminate and the principal of the Revolving Loans, LC Reimbursement Obligations and Bank Guarantee Reimbursement Obligations then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly

waived by the Loan Parties, anything contained herein or in any other Loan Document or otherwise to the contrary notwithstanding.

In addition, without limiting the foregoing, in the event of a foreclosure (or other similar exercise of remedies) by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Collateral Agent, the Administrative Agent or any Secured Party may be the purchaser of any or all of such Collateral at any such sale or other disposition and, in addition, the Collateral Agent or the Administrative Agent, as agent for and representative of all of Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale or other disposition, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by Collateral Agent at such sale.

**Section 8.02    Rescission.** If at any time after termination of the Revolving Commitments or acceleration of the maturity of the Revolving Loans, the Loan Parties shall pay all arrears of interest and all payments on account of principal of the Revolving Loans, LC Reimbursement Obligations and Bank Guarantee Reimbursement Obligations owing by them that shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by law, on overdue interest, at the rates specified herein) and all Defaults (other than non-payment of principal of and accrued interest on the Revolving Loans due and payable solely by virtue of acceleration) shall be remedied or waived pursuant to Section 11.02, then upon the written consent of the Required Lenders (which may be given or withheld in their sole discretion) and written notice to Borrower, the termination of the Revolving Commitments or the acceleration and their consequences may be rescinded and annulled; but such action shall not affect any subsequent Default or impair any right or remedy consequent thereon. The provisions of the preceding sentence are intended merely to bind the Lenders, the Issuing Bank, the Guarantee Bank and the other Secured Parties to a decision that may be made at the election of the Required Lenders, and such provisions are not intended to benefit Borrower and the other Loan Parties and do not give Borrower and/or any of the Loan Parties the right to require the Lenders to rescind or annul any acceleration hereunder, even if the conditions set forth herein are met.

**Section 8.03    Right to Cure.** (a) Notwithstanding anything to the contrary contained in Section 8.01, in the event that Borrower fails to comply with the requirements of Section 6.20 as of the last day of any fiscal quarter of Borrower, until the expiration of the 20th Business Day after the date on which financial statements are required to be delivered by Section 5.01 with respect to such fiscal quarter (each such 20 Business Day period, a “**Cure Specified Date**”), Borrower shall have the right to give written notice (the “**Cure Notice**”), on or prior to such Cure Specified Date, to the Administrative Agent of (x) the intent of Borrower (or Ultimate Parent) to issue Qualified Capital Stock to any direct or indirect parent of Borrower (or, in the case of Ultimate Parent, anyone other than its Subsidiaries) for cash or (y) the receipt by Borrower (or Ultimate Parent) from any direct or indirect parent of Borrower (or new or existing shareholder of Ultimate Parent) of cash capital contributions to the common equity of Borrower (or Ultimate Parent, as applicable) (each, a “**Cure Right**”), and, upon Borrower’s receipt of such net cash proceeds pursuant to the exercise by Borrower of such Cure Right (the “**Cure Amount**”) on or before such Cure Specified Date, the covenant set forth in Section 6.20 shall be recalculated after increasing Consolidated EBITDA with respect to such applicable fiscal quarter and any Test Period that contains such fiscal quarter, solely for the purpose of measuring the financial covenant set forth in Section 6.20 and not for any other purpose under this Agreement, by an amount equal to the Cure Amount (*provided, however*, if the Cure Right is being exercised solely in respect of a breach of the Total Net Leverage Ratio (Ultimate Parent), the Cure Amount shall initially be received from new equity contributions from one or more new or existing equity holders of the Ultimate Parent and shall not be required to be contributed to Borrower). If, after giving effect to the foregoing recalculation, Borrower

shall then be in compliance with the requirements of the financial covenant set forth in Section 6.20, Borrower shall be deemed to have satisfied the requirements of such financial covenant as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of such financial covenant that had occurred shall be deemed cured for purposes of this Agreement.

(b) Revolver Borrowing Block. For the avoidance of doubt, until the applicable Default under Section 6.20 is cured in accordance with the terms of this Section 8.03 or waived in accordance with the terms of Section 11.02, no Credit Extensions shall be made under this Agreement.

(c) Limitation on Exercise of Cure Right. Notwithstanding anything herein to the contrary, (i) in each four consecutive fiscal quarter period, there shall be at least two fiscal quarters during which the Cure Right is not exercised, (ii) the Cure Right may only be exercised five times in the aggregate during the term of this Agreement, (iii) the Cure Amount shall be no greater than the minimum amount required to cause Borrower to be in compliance with the financial covenant set forth in Section 6.20 as at the end of the applicable fiscal quarter, (iv) all Cure Amounts shall be disregarded for purposes of determining any pricing, financial ratio based conditions or any baskets with respect to the covenants contained in this Agreement and (v) the proceeds of any Cure Amount shall not reduce Indebtedness (directly or indirectly by way of netting) for purposes of determining compliance with Section 6.20 in respect of the quarter for which such Cure Right is exercised or any Test Period thereafter that includes such fiscal quarter.

## **ARTICLE IX**

### **APPLICATION OF COLLATERAL PROCEEDS**

**Section 9.01 Application of Proceeds**. The proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral pursuant to the exercise by the Collateral Agent of its remedies after the occurrence and during the continuance of an Event of Default shall be applied, in full or in part, together with any other sums then held by the Collateral Agent pursuant to this Agreement or any other Loan Document, promptly by the Collateral Agent as follows:

(a) *First*, to the indefeasible payment in full in cash of all costs and expenses, fees, commissions and taxes of such sale, collection or other realization (including compensation to the Collateral Agent and/or the Administrative Agent and their respective agents and counsel, and all expenses, liabilities and advances made or incurred by the Collateral Agent and/or the Administrative Agent in connection therewith and all amounts for which the Collateral Agent and/or the Administrative Agent is entitled to indemnification pursuant to the provisions of any Loan Document), together with interest on each such amount at the highest rate then in effect under this Agreement from and after the date such amount is due, owing or unpaid until paid in full;

(b) *Second*, to the indefeasible payment in full in cash, *pro rata*, of interest and other amounts constituting Obligations in respect of the Revolving Loans (other than principal, LC Reimbursement Obligations, Bank Guarantee Reimbursement Obligations and obligations to Cash Collateralize Letters of Credit and Bank Guarantees) and any fees, premiums, interest and scheduled periodic payments due under Hedging Agreements and Bank Product Agreements constituting Secured Obligations and any interest accrued thereof, in each case equally and ratably in accordance with the respective amounts thereof then due and owing (it being agreed that, for purposes of applying this clause (b), all interest and all other amounts described herein will be deemed payable in accordance with



this Agreement regardless of whether such claims are allowed in any proceeding described in Section 8.01(g) or (h));

(c) *Third*, to the indefeasible payment in full in cash or to the retention as Cash Collateral (as applicable), *pro rata*, of the principal amount of the Obligations in respect of the Revolving Loans, Letters of Credit (including LC Reimbursement Obligations and obligations to Cash Collateralize Letters of Credit), Bank Guarantees (including Bank Guarantee Reimbursement Obligations and obligations to Cash Collateralize Bank Guarantees) and any breakage, termination or other payments under Hedging Agreements and Bank Product Agreements constituting Secured Obligations and any interest accrued thereon;

(d) *Fourth*, to the indefeasible payment in full in cash of the remaining Secured Obligations then due and owing, *pro rata*; and

(e) *Fifth*, the balance (including all remaining Cash Collateral), if any, to the person lawfully entitled thereto (including the applicable Loan Party or its successors or assigns) or as a court of competent jurisdiction may direct.

In the event that any such proceeds are insufficient to pay in full the items described in clauses (a) through (e) of this Section 9.01, the Loan Parties shall remain liable, jointly and severally, for any deficiency.

## **ARTICLE X**

### **THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT**

**Section 10.01 Appointment.** (a) Each Lender hereby irrevocably designates and appoints each of the Administrative Agent (such term as used in this Article X to include RBC Europe Limited, acting as Issuing Bank and Guarantee Bank and each other Issuing Bank and Guarantee Bank, if any, under this Agreement and each Letter of Credit and Bank Guarantee and the provisions of this Article X shall apply with respect to the performance of the duties provided by the Issuing Bank and the Guarantee Bank on behalf of the Lenders set forth in Section 2.17(d) and Section 2.18(d)) and the Collateral Agent (such terms as used in this Article X to include Jefferies Finance LLC, acting as a sub-agent for the Collateral Agent with respect to the Security Documents governed by the laws of Indonesia) as an agent of such Lender under this Agreement and the other Loan Documents, and the Administrative Agent and the Collateral Agent hereby accept such appointment on the Closing Date. Each Lender, the Issuing Bank and the Guarantee Bank irrevocably authorizes each Agent, in such capacity, through its agents or employees, to take such actions on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are delegated to such Agent by the terms of this Agreement and the other Loan Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Agents are hereby expressly authorized to execute any and all documents (including releases) with respect to the Collateral and any rights of the Secured Parties with respect thereto as contemplated by and in accordance with the provisions of this Agreement and the other Loan Documents. The provisions of this Article X are solely for the benefit of the Agents, the Lenders, the Issuing Bank and the Guarantee Bank, and no Loan Party shall have rights as a third party beneficiary of any such provisions. It is understood and agreed that the use of the term “agent” in this Agreement with reference to the Administrative Agent or the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.



(b) Each Lender irrevocably appoints each other Lender as its agent and bailee for the purpose of perfecting Liens (whether pursuant to Section 8-301(a)(2) of the UCC or otherwise), for the benefit of the Secured Parties, in assets in which, in accordance with the UCC or any other applicable Legal Requirement, a security interest can be perfected by possession or control. Should any Lender (other than the Collateral Agent) obtain possession or control of any such Collateral, such Lender shall notify the Collateral Agent thereof, and, promptly following the Collateral Agent's request therefor, shall deliver such Collateral to the Collateral Agent or otherwise deal with such Collateral in accordance with the Collateral Agent's instructions.

**Section 10.02 Rights as a Lender.** Each person serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the person serving as an Agent hereunder in its individual capacity. Such person and its Affiliates may accept deposits from, lend money to, act as financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, any Company or Affiliate thereof as if it were not an Agent hereunder and without duty to account therefor to the Lenders, the Issuing Bank or the Guarantee Bank.

**Section 10.03 Exculpatory Provisions.** No Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) no Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that such Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 11.02); *provided* that no Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable Legal Requirements including, for the avoidance of doubt any action that may be in violation of the automatic stay under any Insolvency Law or that may effect a foreclosure, modification or termination of property of a defaulting lender under any Insolvency Law, and (c) except as expressly set forth in the Loan Documents, no Agent shall have any duty to disclose or shall be liable for the failure to disclose, any information relating to any Company or any of its Affiliates that is communicated to or obtained by the person serving as such Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as any Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 11.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by a final and nonappealable judgment. No Agent shall be deemed to have knowledge of any Default unless and until written notice thereof describing such Default is given to such Agent by Borrower, a Lender, the Issuing Bank or the Guarantee Bank, and no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document. Each party to this Agreement acknowledges and agrees that the Administrative Agent may from time to time use one or more outside service providers for the tracking of all UCC financing statements (and/or other collateral related filings and registrations from time to time) required to be filed or recorded pursuant to the Loan Documents and the notification to the Administrative Agent, of, among other things, the upcoming lapse or expiration thereof, and that each of

such service providers will be deemed to be acting at the request and on behalf of Borrower and the other Loan Parties. No Agent shall be liable for any action taken or not taken by any such service provider.

**Section 10.04 Reliance by Agent.** Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent, or otherwise authenticated by a proper person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Revolving Loan, or the issuance of a Letter of Credit or Bank Guarantee, that by its terms must be fulfilled to the satisfaction of a Lender, the Issuing Bank or the Guarantee Bank, each Agent may presume that such condition is satisfactory to such Lender, the Issuing Bank or the Guarantee Bank unless each Agent shall have received written notice to the contrary from such Lender, the Issuing Bank the Guarantee Bank prior to the making of such Revolving Loan or the issuance of such Letter of Credit or Bank Guarantee. Each Agent may consult with legal counsel (who may be counsel for Borrower), independent accountants and other advisors selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or advisors.

**Section 10.05 Delegation of Duties.** Each Agent may perform any and all of its duties and exercise its rights and powers by or through, or delegate any and all such rights and powers to, any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Persons. The exculpatory provisions of the preceding Sections shall apply to any such sub-agent and to the Related Persons of each Agent and any such sub-agent, and shall apply, without limiting the foregoing, to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent. The Agents shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that such Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

**Section 10.06 Successor Agent.** Each Agent may resign at any time upon at least 15 days' prior notice to the Lenders, the Issuing Bank, the Guarantee Bank and Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of Borrower (although no such consent shall be required if any Event of Default shall have then occurred and be continuing), to appoint a successor Agent, which shall be a bank with an office in the United States or an Affiliate of any such bank with an office in the United States or such other jurisdiction as shall be acceptable to the Required Lenders. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation (or such earlier date as may be agreed by the Required Lenders) (the "**Resignation Effective Date**"), then the retiring Agent may, on behalf of the Lenders, the Issuing Bank and the Guarantee Bank and with the consent of Borrower (although such consent of Borrower shall not be required if any Event of Default shall have then occurred and be continuing), appoint a successor Agent, which shall be a bank meeting the qualifications set forth above; *provided* that if the Agent shall notify Borrower and the Lenders that no qualifying person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders, the Issuing Bank or the Guarantee Bank under any of the Loan Documents, the retiring Collateral Agent shall continue to hold as nominee such collateral security until such time as a successor Collateral Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through an Agent shall instead be

made by or to each Lender, the Issuing Bank and the Guarantee Bank directly, until such time as the Required Lenders appoint a successor Agent. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

Upon the acceptance of its appointment as an Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring (or retired) Agent shall be discharged from its duties and obligations under the Loan Documents (if not already discharged therefrom as provided above). The fees payable by Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After an Agent's resignation hereunder, the provisions of this Article X, Section 11.03 and Sections 11.08 to 11.10 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Persons in respect of any actions taken or omitted to be taken by any of them while it was acting as Agent.

**Section 10.07 Non-Reliance on Agent and Other Lenders.** Each Lender, the Issuing Bank and the Guarantee Bank acknowledges that it has, independently and without reliance upon any Agent or any other Lender or any of their respective Affiliates and based on such documents and information as it has deemed appropriate, conducted its own independent investigation of the financial condition and affairs of the Loan Parties and made its own credit analysis and decision to enter into this Agreement. Each Lender, the Issuing Bank and the Guarantee Bank also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or any of their respective Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder. Each Lender, Issuing Bank and Guarantee Bank acknowledges that no Agent or Related Person of any Agent has made any representation or warranty to it. Except for documents expressly required by any Loan Document to be transmitted by an Agent to the Lenders, the Issuing Bank or the Guarantee Bank, no Agent shall have any duty or responsibility (either express or implied) to provide any Lender, Issuing Bank or Guarantee Bank with any credit or other information concerning any Loan Party, including the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any Affiliate of a Loan Party, that may come in to the possession of an Agent or any of its Related Persons.

**Section 10.08 Name Agents.** The parties hereto acknowledge that the Arrangers and the Book Runners hold such titles in name only, and that such titles confer no additional rights or obligations relative to those conferred on any Lender, the Issuing Bank or the Guarantee Bank hereunder.

**Section 10.09 Indemnification.** The Lenders severally agree to indemnify each Agent in its capacity as such and each of its Related Persons (to the extent not reimbursed by Borrower or the Guarantors and without limiting the obligation of Borrower or the Guarantors to do so), ratably according to their respective outstanding Revolving Loans and Revolving Commitments in effect on the date on which indemnification is sought under this Section 10.09 (or, if indemnification is sought after the date upon which all Revolving Commitments shall have terminated and the Revolving Loans, LC Reimbursement Obligations and Bank Guarantee Reimbursement Obligations shall have been paid in full, ratably in accordance with such outstanding Revolving Loans and Revolving Commitments as in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, fines, penalties, actions, claims, suits, judgments, litigations, investigations, inquiries or proceedings, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Revolving Loans, the LC Reimbursement Obligations and the Bank Guarantee Reimbursement Obligations) be imposed on, incurred by or asserted against such Agent or Related Person in any way relating to or arising out of, the Revolving Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein, the

Transactions or any of the other transactions contemplated hereby or thereby or any action taken or omitted by such Agent or Related Person under or in connection with any of the foregoing (**IN ALL CASES, WHETHER OR NOT CAUSED OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF ANY AGENT OR RELATED PERSON**); *provided* that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, fines, penalties, actions, claims, suits, judgments, litigations, investigations, inquiries or proceedings, costs, expenses or disbursements that are found by a final and nonappealable judgment of a court of competent jurisdiction to have directly resulted solely and directly from such Agent's or Related Person's, as the case may be, gross negligence or willful misconduct. The agreements in this Section 10.09 shall survive the payment of the Revolving Loans and all other amounts payable hereunder.

**Section 10.10 Administrative Agent May File Proof of Claims.** In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Revolving Loan, LC Reimbursement Obligations or Bank Guarantee Reimbursement Obligations shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Revolving Loans, LC Reimbursement Obligations and Bank Guarantee Reimbursement Obligations and all other Secured Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under the Loan Documents) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due the Administrative Agent the Loan Documents.

**Section 10.11 Lender Action.** Each Lender agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy against any Loan Party or any other obligor under any of the Loan Documents (including the exercise of any right of setoff, rights on account of any banker's lien or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise commence any remedial procedures or cause any of the foregoing (through Affiliates or otherwise), with respect to any Collateral or any other property of any such Loan Party, without the prior written consent of the Administrative Agent.

**Section 10.12 Trust Property.** The Collateral Agent agrees and declares, and each of the other Secured Parties acknowledges, that, subject to the terms and conditions of this Section 10.12, the Collateral Agent holds the Trust Property on trust for the Secured Parties absolutely. Each of the other Secured Parties agrees that the obligations, rights and benefits vested in the Collateral Agent shall be performed and exercised in accordance with this Section 10.12. The Collateral Agent shall have the

benefit of all of the provisions of this Agreement benefiting it in its capacity as collateral agent for the Secured Parties. In addition, the Collateral Agent and any attorney, agent or delegate of the Collateral Agent may indemnify itself or himself out of the Trust Property against all liabilities, costs, fees, damages, charges, losses and expenses sustained or incurred by it or him in relation to the taking or holding of any of the Trust Property or in connection with the exercise or purported exercise of the rights, trusts, powers and discretions vested in the Collateral Agent or any other such person by or pursuant to the Collateral Rig Mortgages or in respect of anything else done or omitted to be done in any way relating to the Collateral Rig Mortgages.

## **ARTICLE XI MISCELLANEOUS**

**Section 11.01 Notices.** (a) Generally. Notices and other communications provided for herein shall, except as provided in Section 11.01(b), be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or transmit by facsimile transmission, as follows:

(i) if to any Loan Party, to Borrower at Shelf Drilling Holdings, Ltd., One JLT, Floor 12, Jumeirah Lakes Towers, PO Box 212201, Dubai, United Arab Emirates, Attention: Chief Financial Officer, Facsimile: +971 4567 3401 (with a copy (which shall not constitute notice)) to: Shelf Drilling Holdings, Ltd., One JLT, Floor 12, Jumeirah Lakes Towers, PO Box 212201, Dubai, United Arab Emirates, Attention: General Counsel, Facsimile: +971 4567 3401; Castle Harlan, Inc., 150 East 58th Street, New York, New York 10155, Facsimile: 212-207-8042, Attention: Howard Weiss; Lime Rock Partners, 274 Riverside Ave., Third Floor, Westport, Connecticut 06880, Facsimile: (203) 429-2785, Attention: Kris Agrawal; CHAMP Private Equity Pte. Limited, 6 Battery Road #12-08, Singapore 049909, Facsimile: +65 6576 9170, Attention: Nathaniel Childres; CHAMP III Management Pty Limited, Level 4, Customs House, 31 Alfred Street, Sydney NSW 2000, Facsimile: +61 2 8248 8877, Attention: Barry Zuckerman; and CHAMP III Management Pty Limited, Level 4, Customs House, 31 Alfred Street, Sydney NSW 2000, Facsimile: +61 2 8248 8877, Attention: Patrick Rodden);

(ii) if to the Administrative Agent or the Collateral Agent, to it at: RBC Europe Limited, 2 Swan Lane, London, United Kingdom, EC4R 3BF, Attention: Manager Loans Agency, Facsimile No.: +44 (0)20 7029 7914;

(iii) if to a Lender, to it at its address (or facsimile number) set forth on Annex II or in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto;

(iv) if to the Issuing Bank, to it at: RBC Europe Limited, 2 Swan Lane, London, United Kingdom, EC4R 3BF, Attention: Manager Loans Agency, Facsimile No.: +44 (0)20 7029 7914;

(v) if to any other Issuing Bank, to it at such address and facsimile number as such other Issuing Bank shall have specified in writing to the Administrative Agent, Borrower and the Lenders;

(vi) if to the Guarantee Bank, to it at: RBC Europe Limited, 2 Swan Lane, London, United Kingdom, EC4R 3BF, Attention: Manager Loans Agency, Facsimile No.: +44 (0)20 7029 7914; and



(vii) if to any other Guarantee Bank, to it at such address and facsimile number as such other Guarantee Bank shall have specified in writing to the Administrative Agent, Borrower and the Lenders.

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or transmitted by facsimile transmission or sent by certified or registered mail, in each case delivered, transmitted, sent or mailed (properly addressed) to such party as provided in this Section 11.01(a) or in accordance with the latest unrevoked direction from such party given in accordance with this Section 11.01(a), and failure to deliver courtesy copies of notices and other communications shall in no event affect the validity or effectiveness of such notices and other communications.

Notices delivered through electronic communications to the extent provided in Section 11.01(b) below, shall be effective as provided in Section 11.01(b).

(b) Electronic Communication. Notices and other communications to the Lenders, the Issuing Bank and the Guarantee Bank hereunder may (subject to Section 11.01(d)) be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices to any Lender, the Issuing Bank or the Guarantee Bank pursuant to Article II if such Lender, the Issuing Bank or the Guarantee Bank, as applicable, has notified the Administrative Agent (in a manner set forth in Section 11.01(a)) that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Collateral Agent or Borrower may, in their respective sole discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures, respectively, approved by it (including as set forth in Section 11.01(d)); *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (including by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address, etc. Any party hereto may change its address, facsimile number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

(d) Posting. Each Loan Party will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to this Agreement and any other Loan Document, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to a request for a new, or a conversion of an existing, Borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default under this Agreement or (iv) is required to be



delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit hereunder (all such non-excluded communications, collectively, the “**Communications**”), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent at such e-mail address(es) provided to Borrower by the Administrative Agent from time to time or in such other form, including hard copy delivery thereof, as the Administrative Agent shall reasonably require. In addition, each Loan Party agrees to continue to provide the Communications to the Administrative Agent in the manner specified in this Agreement or any other Loan Document or in such other form, including hard copy delivery thereof, as the Administrative Agent shall reasonably require. Nothing in this Section 11.01 shall prejudice the right of the Agents, any Lender, the Issuing Bank, the Guarantee Bank or any Loan Party to give any notice or other communication pursuant to this Agreement or any other Loan Document in any other manner specified in this Agreement or any other Loan Document or as any such Agent shall reasonably require.

(e) To the extent consented to by the Administrative Agent in writing from time to time, the Administrative Agent agrees that receipt of the Communications by the Administrative Agent at its e-mail address(es) set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents.

(f) Each Loan Party further agrees that the Administrative Agent may make the Communications available to the other Agents, the Lenders, the Issuing Bank or the Guarantee Bank by posting the Communications on IntraLinks, SyndTrak or a substantially similar electronic transmission system (the “**Platform**”). The Platform is provided “as is” and “as available.” The Agents do not warrant the accuracy or completeness of the Communications, or the adequacy of the Platform and expressly disclaim liability for errors or omissions in the communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agent in connection with the Communications or the Platform. Notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (b) of notification that such notice or communication is available and identifying the website address therefor.

(g) Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the “Private Side Information” or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender’s compliance procedures and applicable law, including United States federal and state securities laws, to make reference to information that is not made available through the “Public Side Information” portion of the Platform and that may contain Non-Public Information with respect to Borrower, its Subsidiaries or their securities for purposes of United States federal or state securities laws. In the event that any Public Lender has determined for itself to not access any information disclosed through the Platform or otherwise, such Public Lender acknowledges that (i) other Lenders may have availed themselves of such information and (ii) neither Borrower nor the Administrative Agent has any responsibility for such Public Lender’s decision to limit the scope of the information it has obtained in connection with this Agreement and the other Loan Documents.

(h) Each Loan Party, each Lender and each Agent agrees that the Administrative Agent may, but shall not be obligated to, store any Approved Electronic Communications on the Platform in accordance with the Administrative Agent’s customary document retention procedures and policies.

**Section 11.02 Waivers; Amendment.** (a) No failure or delay by any Agent, the Issuing Bank, the Guarantee Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or

power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of each Agent, the Issuing Bank, the Guarantee Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by Section 11.02(b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Revolving Loan, the issuance of a Letter of Credit or Bank Guarantee shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender, the Issuing Bank or the Guarantee Bank may have had notice or knowledge of such Default at the time. No notice or demand on Borrower or any other Loan Party in any case shall entitle Borrower or any other Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Subject to Sections 2.16(c), 11.02(c), (d), (e) and (f), neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended, supplemented or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by Borrower and the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent, the Collateral Agent (in the case of any Security Document) and the Loan Party or Loan Parties that are parties thereto, in each case with the written consent of the Required Lenders; *provided* that no such agreement shall:

(i) increase the Revolving Commitment of any Lender without the written consent of such Lender (it being understood that no amendment, modification, termination, waiver or consent with respect to any condition precedent, covenant or Default (or any definition used, respectively, therein) shall constitute an increase in the Revolving Commitment of any Lender for purposes of this clause (i));

(ii) reduce the principal amount or premium, if any, of any Revolving Loan, LC Disbursement or Bank Guarantee Disbursement or reduce the rate of interest thereon (other than waiver of any increase in the rate of interest pursuant to Section 2.06(c)), or reduce any Fees payable hereunder, without the written consent of each Lender directly affected thereby;

(iii) postpone or extend the maturity of any Revolving Loan, or the required date of payment of any LC Reimbursement Obligation or Bank Guarantee Reimbursement Obligation, or any date for the payment of any interest or fees payable hereunder, or postpone the scheduled date of expiration of any Revolving Commitment, postpone the scheduled date of expiration of any Letter of Credit beyond the Letter of Credit Expiration Date or postpone the scheduled date of expiration of any Bank Guarantee beyond the Bank Guarantee Expiration Date, without the written consent of each Lender directly affected thereby;

(iv) change Section 2.14(b) or (c), Section 9.01(a), (b), (c) or (d), or Section 10.02 in a manner that would alter the order of or the *pro rata* sharing of payments or setoffs required thereby, without the written consent of each Lender directly affected thereby;

(v) change the percentage set forth in the definition of “Required Lenders” or any other provision of any Loan Document (including this Section 11.02) specifying the number or percentage of Lenders required to waive, amend or modify any rights

thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender;

(vi) (x) except as expressly provided in Article VII, (A) release all or substantially all of the Guarantors from their respective Guarantees or limit all or substantially all of their liability in respect of such Guarantees or (B) release any Designated Company from its Guarantee, or limit all or substantially all of their liability in respect of such Guarantees or (y) release the Ultimate Parent from the Ultimate Parent Guarantee or limit all or substantially all of its liability under the Ultimate Parent Guarantee, in each case, without the written consent of each Lender;

(vii) (x) except as expressly permitted in this Agreement or any Security Document, (A) (1) release all or substantially all of the Collateral or (2) release any Designated Collateral Rig or any Designated Company (including, for this purpose, any pledgors of Equity Interests in any Designated Company), in each case, from the Liens of the Security Documents or (B) alter the relative priorities of the Secured Obligations entitled to the Liens of the Security Documents (except in connection with securing additional Secured Obligations equally and ratably with the other Secured Obligations) or (y) release the Newbuild Rigs from their respective Collateral Rig Mortgages (unless another Collateral Rig Mortgage is placed on such Newbuild Rig substantially simultaneously with such release as otherwise permitted by this Agreement), in each case without the written consent of each Lender; or

(viii) change Section 11.04(b) in a manner which further restricts assignments thereunder without the written consent of each Lender;

*provided, further*, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Collateral Agent, the Issuing Bank or the Guarantee Bank without the prior written consent of the Administrative Agent, the Collateral Agent, the Issuing Bank or the Guarantee Bank, as the case may be.

(c) Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by Borrower, the Required Lenders and the Administrative Agent (and, if their rights or obligations are effected thereby, the Issuing Bank and the Guarantee Bank) if (x) by the terms of such agreement the Revolving Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment, (y) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of, premium, if any, and interest accrued on each Revolving Loan made by it and all other amounts owing to it or accrued for its account under this Agreement, and (z) Section 2.16(b) is complied with.

(d) Notwithstanding the foregoing, any provision of this Agreement and the other Loan Documents may be amended to effect any Incremental Loan Amendment as provided in Section 2.19 by an agreement in writing entered into by Borrower, the Administrative Agent and the Lenders providing the Incremental Revolving Commitments the subject of such Incremental Loan Amendment.

(e) Notwithstanding the foregoing, without the consent of any other person, the applicable Loan Party or Loan Parties and the Administrative Agent and/or the Collateral Agent may (in its or their respective sole discretion, or shall, to the extent required by any Loan Document) enter into any amendment or waiver of any Loan Document, or enter into any new agreement or instrument, to effect (i) the granting, perfection, protection, expansion or enhancement of any security interest in any

Collateral or additional property to become Collateral for the benefit of the Secured Parties, or as required by applicable Legal Requirements to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or assets so that the security interests therein comply with applicable Legal Requirements, (ii) the release of any Lien under any Security Document in respect of any Collateral (x) subject to a sale or other disposition permitted hereunder to the extent that such release is contemplated by the Loan Documents or (y) that is an Excluded Asset or (iii) the release of any Subsidiary Guarantor (and the Collateral owned by such Subsidiary Guarantor) pursuant to Section 7.09.

(f) Notwithstanding the foregoing, (x) Security Documents and related documents may be amended, supplemented and waived with the consent of the Administrative Agent or the Collateral Agent and Borrower or other applicable Loan Party without the need to obtain the consent of any other person if such amendment, supplement or waiver is delivered in order (i) to comply with local law or advice of local counsel, (ii) to cure ambiguities, omissions, mistakes or defects or (iii) to cause such Security Document or other document to be consistent with this Agreement and the other Loan Documents and (y) if following the Closing Date, the Administrative Agent and Borrower shall have jointly identified an ambiguity, inconsistency, obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Loan Documents (other than the Security Documents), then the Administrative Agent and Borrower or other applicable Loan Party shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Documents if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof.

**Section 11.03 Expenses; Indemnity; Damage Waiver.** (a) The Loan Parties agree, jointly and severally, to pay, promptly upon demand (in accordance with subsection (g) hereof):

(i) all reasonable and documented out-of-pocket costs and expenses (excluding income taxes) incurred by the Arrangers, the Administrative Agent, the Collateral Agent, the Issuing Bank and the Guarantee Bank, including the reasonable fees, charges and disbursements of Advisors for the Arrangers, the Administrative Agent, the Collateral Agent, the Issuing Bank and the Guarantee Bank, in connection with the preparation, negotiation, execution and delivery of the Loan Documents, the administration of the Credit Extensions, the perfection and maintenance of the Liens securing the Collateral and any actual or proposed amendment, supplement or waiver of any of the Loan Documents (whether or not the transactions contemplated hereby or thereby shall be consummated); *provided* that in the case of charges of outside counsel, such payment shall be limited to the fees, disbursements and other charges of one single primary counsel to the Administrative Agent, one special maritime counsel and one local counsel in each relevant jurisdiction;

(ii) all reasonable and documented out-of-pocket costs and expenses (excluding income taxes) incurred by the Administrative Agent or the Collateral Agent including the reasonable fees, charges and disbursements of Advisors reasonably retained by the Administrative Agent and the Collateral Agent, in connection with any action, claim, suit, litigation, investigation, inquiry or proceeding affecting the Collateral or any part thereof, in which action, claim, suit, litigation, investigation, inquiry or proceeding the Administrative Agent or the Collateral Agent is made a party or participates or in which the right to use the Collateral or any part thereof is threatened, or in which it becomes necessary in the judgment of the Administrative Agent or the Collateral Agent to defend or uphold the Liens granted by the Security Documents (including any action, claim, suit, litigation, investigation, inquiry or proceeding to establish or uphold the compliance of the Collateral with any Legal Requirements);

*provided* that in the case of charges of outside counsel, such payment shall be limited to the fees, disbursements and other charges of (x) one litigation counsel, (y) one local counsel in each relevant jurisdiction and (z) regulatory and specialist counsel (and, in each case, in the case of an actual or a potential conflict of interest, (A) one additional counsel for each affected person (or group of affected persons) and (B) if necessary, one local, regulatory and/or specialist counsel for each affected person (or group of persons) in any relevant jurisdiction); and

(iii) all reasonable and documented out-of-pocket costs and expenses incurred by the Arrangers, the Administrative Agent, the Collateral Agent, any other Agent, the Issuing Bank, the Guarantee Bank or any Lender, including the documented and reasonable fees, charges and disbursements of Advisors reasonably retained by any of the foregoing, incurred in connection with the enforcement or protection of its rights under the Loan Documents, including its rights under this Section 11.03(a), or in connection with the Revolving Loans made or Letters of Credit and Bank Guarantees issued hereunder and the collection of the Secured Obligations, including all such costs and expenses incurred during any workout, restructuring or negotiations in respect of the Secured Obligations; *provided* that (A) in the case of charges of outside counsel, such payment shall be limited to the reasonable and documented fees, disbursements and other charges of (I) one counsel, (II) one local counsel in each relevant jurisdiction, and (III) regulatory and specialist counsel (and, in each case, in the case of an actual or a potential conflict of interest, (x) one additional counsel for each affected person (or group of affected persons) and (y) if necessary, one local, regulatory and/or specialist counsel for each affected person (or group of affected persons) in any relevant jurisdiction, in each case for the Agents and the Lenders taken together and (B) in the case of non-legal advisors, such payments shall be limited to the reasonable and documented fees, disbursements and other charges of Advisors to the Agents.

(b) The Loan Parties agree, jointly and severally, to indemnify the Agents, each Lender, the Issuing Bank, the Guarantee Bank and each of their respective Related Persons (each such person being called an “**Indemnatee**”) against, and to hold each Indemnatee harmless from, all reasonable and documented out-of-pocket costs and any and all actual losses, claims, damages, liabilities, fees, fines, penalties, actions, judgments, suits and related expenses, including reasonable and documented Advisors fees, charges and disbursements (in each case, subject to the provisos in Section 11.03(a)(i), (ii) and (iii) with respect to certain Advisors) (collectively, “**Claims**”), incurred by, imposed on or asserted against any Indemnatee, directly or indirectly, arising out of, in connection with, or as a result of (i) the execution, delivery, performance, administration or enforcement of the Loan Documents or any agreement or instrument contemplated thereby or the performance by the parties thereto of their respective obligations thereunder, (ii) any actual or proposed use of the proceeds of the Revolving Loans or issuance of Letters of Credit or Bank Guarantees, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnatee is a party thereto, (iv) any actual or alleged presence or Release or threatened Release of Hazardous Materials, on, at, under or from any property (including any Rig) owned, leased or operated by any Company at any time, or any Environmental Claim or threatened Environmental Claim related in any way to any Company, (v) any past, present or future non-compliance with, or violation of, Environmental Laws or Environmental Permits applicable to any Company, or any Company’s business, or any property (including any Rig) presently or formerly owned, leased, or operated by any Company or their predecessors in interest, (vi) the environmental condition of any property (including any Rig) owned, leased, or operated by any Company at any time, or the applicability of any Legal Requirements relating to such property, whether or not occasioned wholly or in part by any condition, accident or event caused by any act or omission of any Company, (vii) the imposition of any environmental Lien encumbering any property or Rig of any



Company, (viii) the consummation of the Transactions and the other transactions contemplated hereby (including the syndication of the credit facilities provided herein) or (ix) any actual or prospective action, claim, suit, litigation, investigation, inquiry or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Loan Party or otherwise, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have directly resulted solely from the bad faith, gross negligence or willful misconduct of such Indemnitee.

(c) The Loan Parties agree, jointly and severally, that, without the prior written consent of the Administrative Agent and any affected Lender, which consent(s) will not be unreasonably withheld or delayed, the Loan Parties will not enter into any settlement of a Claim in respect of the subject matter of clauses (i) through (ix) of Section 11.03(b) unless such settlement includes an explicit and unconditional release from the party bringing such Claim of all Indemnites.

(d) The provisions of this Section 11.03 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the Transactions and the other transactions contemplated hereby, the repayment of the Revolving Loans, LC Reimbursement Obligations, Bank Guarantee Reimbursement Obligations and any other Secured Obligations, the release of any Guarantor or of all or any portion of the Collateral, the expiration of the Revolving Commitments, the expiration of any Letter of Credit or Bank Guarantee, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Agents, the Issuing Bank, the Guarantee Bank or any Lender. All amounts due under this Section 11.03 shall be payable on written demand therefor accompanied by reasonable documentation with respect to any reimbursement, indemnification or other amount requested.

(e) To the extent that the Loan Parties fail to pay any amount required to be paid by them to the Agents under Sections 11.03(a) or (b) in accordance with Section 11.03(g), each Lender severally agrees to pay to the Agents such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (such indemnity shall be effective whether or not the related losses, claims, damages, liabilities and related expenses are incurred or asserted by any party hereto or any third party); *provided* that the unreimbursed Claim was incurred by or asserted against any of the Agents in its capacity as such. For purposes of this Section 11.03(e), a Lender's "*pro rata* share" shall be determined based upon its share of the total Revolving Exposure and unused Revolving Commitments at the time.

(f) To the fullest extent permitted by applicable Legal Requirements, no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, exemplary, consequential, or punitive damages (including any loss of profits, business or anticipated savings) arising out of, in connection with, or as a result of, any Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Revolving Loan, Letter of Credit or Bank Guarantee or the use of the proceeds thereof. No Indemnitee shall be liable for any damages (other than those damages resulting from gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable decision) arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with the Loan Documents or the transactions contemplated hereby or thereby.



(g) All amounts due under this Section 11.03 shall be payable not later than 10 Business Days after demand therefor (accompanied by an invoice or other reasonable documentation).

**Section 11.04 Successors and Assigns.** (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit and any Affiliate of the Guarantee Bank that issues any Bank Guarantee), except that, other than pursuant to a transaction permitted by Section 6.05, the Loan Parties may not assign or otherwise transfer any of their respective rights or obligations hereunder without the prior written consent of the Administrative Agent, the Collateral Agent, the Issuing Bank, the Guarantee Bank and each Lender, which consent may be withheld in their respective sole discretion (and any such attempted assignment or transfer by any Loan Party without such consent shall be null and void). Nothing in this Agreement or any other Loan Document, express or implied, shall be construed to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit and any Affiliate of the Guarantee Bank that issues any Bank Guarantee), Participants to the extent expressly provided in Section 11.04(e) and, to the extent expressly contemplated hereby, the other Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement or any other Loan Document.

(b) Any Lender shall have the right at any time to assign to one or more assignees (other than any Company (or any Affiliate thereof) or a natural person) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Commitment and Revolving Exposure at the time owing to it); *provided* that:

(i) except in the case of (A) an assignment to a Lender, an Affiliate of a Lender or an Approved Fund and (B) an assignment of the entire remaining amount of the assigning Lender's Revolving Commitment and Revolving Exposure, the amount of the Revolving Commitment or Revolving Exposure of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000;

(ii) no assignment shall be effective until all of the then outstanding Letters of Credit and Bank Guarantees are returned by each respective beneficiary to the Issuing Bank and the Guarantee Bank, as the case may be, for cancellation in exchange for new or amended Letters of Credit and Bank Guarantees which give effect to such assignment (it being understood and agreed that if the beneficiaries of all then outstanding Letters of Credit and Bank Guarantees do not consent to such amendment or exchange, such assignment cannot occur);

(iii) each partial assignment shall be made as an assignment of a proportionate part of all of the assigning Lender's rights and obligations under this Agreement;

(iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500; *provided* that such fee shall not be payable in the case of an assignment by any Lender to an Approved Fund of such Lender;

(v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire; and

(vi) except in the case of an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or a Pre-Approved Assignee that is an Acceptable Bank, each of the

Administrative Agent, the Issuing Bank, the Guarantee Bank and, so long as no Event of Default then exists or is continuing, Borrower must give its prior written consent to such assignment (which consent shall not be unreasonably withheld, delayed or conditioned), *provided* that if the Administrative Agent has delivered written notice of such proposed assignment to Borrower and has not received a response by the tenth Business Day after having received notice thereof and thereafter has delivered a second written notice to Borrower of such proposed assignment and has not received any written objection to such assignment from Borrower on or prior to the fifth Business Day after delivery of such second notice, then Borrower shall be deemed to have consented to such assignment.

Subject to acceptance and recording thereof pursuant to Section 11.04(d), from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement (*provided* that any liability of Borrower to such assignee under Section 2.12, 2.13 or 2.15 shall be limited to the amount, if any, that would have been payable thereunder by Borrower in the absence of such assignment, unless otherwise provided for in this Agreement), and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.15 and 11.03).

(c) The Administrative Agent, acting for this purpose as an agent of Borrower, shall maintain at one of its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Commitments of, and principal amount of and interest on the Revolving Loans, LC Disbursements and Bank Guarantee Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive in the absence of manifest error, and Borrower, the Administrative Agent, the Issuing Bank, the Guarantee Bank and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement and the other Loan Documents, notwithstanding notice to the contrary. The Register shall be available for inspection by Borrower, the Issuing Bank, the Guarantee Bank, the Collateral Agent and any Lender (with respect to its own interest only), at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in Section 11.04(b) and any written consent to such assignment required by Section 11.04(b), and subject to the satisfaction of the other conditions set forth in Section 11.04(b), the Administrative Agent shall reasonably promptly accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this Section 11.04(d). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with the requirements of this Section 11.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 11.04(e).

(e) Any Lender shall have the right at any time, without the consent of, or notice to Borrower, the Administrative Agent, the Issuing Bank, the Guarantee Bank or any other person to sell participations to any person (other than any Company or any Affiliate thereof or a natural person) (a "**Participant**") in all or a portion of such Lender's rights and obligations under this Agreement

(including all or a portion of its Revolving Commitment and the Revolving Loans owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) Borrower, the Administrative Agent, the Collateral Agent, the Issuing Bank, the Guarantee Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) is described in clauses (i), (ii) or (iii) of the proviso to Section 11.02(b) and (2) directly affects such Participant. Subject to Section 11.04(f), each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.04(b). To the extent permitted by Legal Requirements, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; *provided* that such Participant agrees in writing to be subject to Section 2.14(c) as though it were a Lender. Each Lender shall, acting for this purpose as an agent of Borrower, maintain at one of its offices a register for the recordation of the names and addresses of its Participants, and the amount and terms of its participations in accordance with Section 11.04(c); *provided* that no Lender shall be required to disclose or share the information contained in such register with Borrower or any other person, except as required by applicable Legal Requirements in order to establish that any Revolving Commitment, Revolving Loan, LC Disbursement, Bank Guarantee Disbursement or other Obligation is in registered form under Section 5f.103-1(c) of the U.S. Treasury Regulations (the "**Participant Register**").

(f) A Participant shall not be entitled to receive any greater payment under Sections 2.12, 2.13 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the prior written consent of Borrower (which consent shall not be unreasonably withheld, delayed or conditioned).

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any central bank, and this Section 11.04(g) shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. Without limiting the foregoing, in the case of any Lender that is a fund that invests in bank loans or similar extensions of credit, such Lender may, without the consent of Borrower, the Issuing Bank, the Guarantee Bank, the Administrative Agent or any other person, collaterally assign or pledge all or any portion of its rights under this Agreement, including the Revolving Loans and Revolving Notes or any other instrument evidencing its rights as a Lender under this Agreement, to any holder of, trustee for, or any other representative of holders of, obligations owed or securities issued, by such fund, as security for such obligations or securities.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a "**Granting Lender**") may grant to a special purpose funding vehicle (an "**SPC**"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and Borrower, the option to provide to Borrower all or any part of any Revolving Loan that such Granting Lender would otherwise be obligated to make to such Borrower pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to make any Revolving Loan and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Revolving Loan, the Granting Lender shall be obligated to make such Revolving Loan pursuant to the terms hereof; *provided, further,*

that nothing herein shall make the SPC a “Lender” for the purposes of this Agreement, obligate Borrower or any other Loan Party or the Administrative Agent to deal with such SPC directly, obligate Borrower or any other Loan Party in any manner to any greater extent than they were obligated to the Granting Lender, or increase costs or expenses of Borrower. The Loan Parties and the Administrative Agent shall be entitled to deal solely with, and obtain good discharge from, the Granting Lender and shall not be required to investigate or otherwise seek the consent or approval of any SPC, including for the approval of any amendment, waiver or other modification of any provision of any Loan Document. The making of a Revolving Loan by an SPC hereunder shall utilize the Revolving Commitment of the Granting Lender to the same extent, and as if, such Revolving Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability or payment obligation for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States of America or any state thereof. In addition, notwithstanding anything to the contrary contained in this Section 11.04(h), any SPC may (i) with notice to, but without the prior written consent of, Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Revolving Loans to the Granting Lender or to any financial institutions (consented to by Borrower and the Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Revolving Loans and (ii) disclose on a confidential basis any non-public information relating to its Revolving Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC.

(i) The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Legal Requirement, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

**Section 11.05 Survival of Agreement.** All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the reports, certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Revolving Loans and issuance of any Letters of Credit and Bank Guarantees, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Agents, the Issuing Bank, the Guarantee Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as any Obligation, any Letter of Credit or any Bank Guarantee is outstanding and so long as the Revolving Commitments have not expired or terminated. The provisions of Article IX and Sections 2.12 to 2.15, 10.06, 11.03, 11.08 to 11.10 and 11.12 shall survive and remain in full force and effect regardless of the consummation of the Transactions and the other transactions contemplated hereby, the repayment of the Revolving Loans, the payment of the LC Reimbursement Obligations and the Bank Guarantee Reimbursement Obligations, the expiration or termination of the Letters of Credit, the Bank Guarantees and the Revolving Commitments or the termination of this Agreement or any provision hereof.

**Section 11.06 Counterparts; Integration; Effectiveness.** This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the Fee Letters and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent and/or the Arranger, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

**Section 11.07 Severability.** Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

**Section 11.08 Right of Setoff.** If an Event of Default shall have occurred and be continuing, each Lender, the Issuing Bank, the Guarantee Bank and each of their respective Affiliates are hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Legal Requirements, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender (but excluding amounts held in employee payroll, employee benefits and other fiduciary or trust accounts), the Issuing Bank, the Guarantee Bank or any such Affiliate to or for the credit or the account of any Loan Party against any and all of the obligations of any Loan Party now or hereafter existing under this Agreement or any other Loan Documents held by such Lender, the Issuing Bank or the Guarantee Bank, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations may be contingent or unmatured or are owed to a branch or office of such Lender, the Issuing Bank or the Guarantee Bank different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender under this Section 11.08 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have. Each Lender, the Issuing Bank and the Guarantee Bank agrees to use commercially reasonable efforts to notify Borrower and the Administrative Agent after any such setoff and application; *provided, however*, that in no event shall failure to give such notice effect the validity or enforceability of any such setoffs.

**Section 11.09 Governing Law; Jurisdiction; Consent to Service of Process; Consent to Arbitration.** (a) This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby



irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding shall be heard and determined in such New York State court or, to the extent permitted by applicable Legal Requirements, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Legal Requirements. Nothing in this Agreement or any other Loan Document or otherwise, *however*, shall affect any right that the Administrative Agent, any other Agent, the Issuing Bank, the Guarantee Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable Legal Requirements, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 11.09(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Legal Requirements, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in any action or proceeding arising out of or relating to any Loan Document, in the manner provided for notices (other than facsimile or email) in Section 11.01. Notwithstanding anything to the contrary contained in this Agreement or any Loan Document, each Loan Party as of the later of the Closing Date and the date on which such Loan Party becomes a Loan Party hereunder shall irrevocably and unconditionally appoint Corporation Service Company, with an office for service of process delivery on the date hereof at 1180 Avenue of the Americas, Suite 210, New York, New York 10036-2721, and its successors (the “**Process Agent**”), as its agent to receive on behalf of such Loan Party and its property all writs, claims, process, and summonses in any action or proceeding brought against such Loan Party in the State of New York or an ICC Arbitration as provided below in Section 11.09(e). Such service may be made by mailing or delivering a copy of such process to any Loan Party in care of the Process Agent at the address specified above for the Process Agent, and such Loan Party irrevocably authorizes and directs the Process Agent to accept such service on its behalf. Failure by the Process Agent to give notice to the applicable Loan Party, or failure of the applicable Loan Party to receive notice of such service of process, shall not impair or affect the validity of such service on the Process Agent or any such Loan Party, or of any judgment based thereon. Each Loan Party covenants and agrees that it shall take any and all reasonable action, including the execution and filing of any and all documents that may be necessary to continue the designation of the Process Agent above in full force and effect, and to cause the Process Agent to act as such. Each Loan Party hereto further covenants and agrees to maintain at all times an agent with offices in New York City to act as its Process Agent. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by applicable Legal Requirements.

(e) (i) Notwithstanding the foregoing, at the sole option of the Administrative Agent or the Required Lenders, any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document shall be settled by arbitration administered under the Rules of Arbitration of the International Chamber of Commerce (“**ICC Rules**”) (which rules are incorporated in and made a part of each Loan Document) and the parties hereto hereby agree to submit to such rules) through binding arbitration proceedings sited in New York, New York; *provided, however*, the right of the Administrative Agent or the Required Lenders to exercise this option shall be limited to those cases in which, in the reasonable determination of the Administrative Agent or the Required Lenders, recognition and enforcement of a New York judgment in the jurisdiction in which Borrower or a Guarantor is organized, or a Collateral Rig is flagged or operates, would be more difficult than the recognition and enforcement of a foreign arbitral award.



Notwithstanding the situs of the arbitration, the arbitrators, in consultation with the parties to the arbitration, may hold hearings or meetings at any other location as convenient, and the arbitration shall be conducted in the English language by three arbitrators to be appointed in accordance with the ICC Rules prevailing and in effect as at the date the claim, controversy, dispute or cause of action is referred to arbitration (an “**ICC Arbitration**”). Any award of the arbitrators shall include a statement of the reasons for such decision and shall be final and binding and enforceable in accordance with the rules of the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. Any award rendered shall be final and binding on the parties hereto and judgment thereon may be entered into by any court having jurisdiction or application may be made to such court for an order of enforcement, as the case may require.

(ii) If court proceedings have been initiated by the Administrative Agent, the Lenders or any Loan Party, at the time that the Administrative Agent or the Required Lenders choose to submit the particular matter to arbitration, the parties shall take all necessary steps to cause such proceedings for such matter to be discontinued.

(iii) Each Loan Party hereby irrevocably (x) waives any objection which it may have at any time to the laying of venue of any proceedings brought before an ICC Arbitration; (y) waives any claim that such proceedings brought before an ICC Arbitration have been brought in an inconvenient forum; and (z) further waives the right to object with respect to such proceedings brought before an ICC Arbitration that any such arbitral tribunal does not have jurisdiction over such party.

(iv) For the avoidance of doubt, neither the exercise by the Administrative Agent or the Required Lenders of their option to commence arbitration pursuant to clause (i) above nor the discontinuation of court proceedings pursuant to clause (ii) above shall prejudice the ability of Borrower and/or any Guarantor to bring or continue to bring in the ICC Arbitration such claims, counterclaims or defenses as they may have in regard to the particular matter that is the subject of such arbitration proceeding, including claims, counterclaims or defenses previously asserted by them in court proceedings in regard to the particular matter that is the subject of such arbitration proceeding. For purposes of any statute of limitations, any claim, counterclaim or defense asserted by Borrower and/or any Guarantor in the ICC Arbitration shall be deemed to have been made no later than the date it was asserted in the prior court proceedings.

**Section 11.10 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT, THE TRANSACTIONS OR THE OTHER TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.10.**

**Section 11.11 Headings; No Adverse Interpretation of Other Agreements.** Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not

part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement. This Agreement may not be used to interpret any other loan or debt agreement or instrument of any Company or any other person. Any such loan or debt agreement or instrument may not be used to interpret this Agreement or any other Loan Document.

**Section 11.12 Confidentiality.** Each of the Administrative Agent, the Issuing Bank, the Guarantee Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' and Approved Funds' directors, officers, employees, agents, advisors and other representatives, including accountants, legal counsel and other advisors (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential pursuant to the terms hereof), (b) to the extent required by any regulatory authority or any quasi-regulatory authority (such as the National Association of Insurance Commissioners and the SEC), (c) to the extent required by applicable Legal Requirements or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under the Loan Documents or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, but only to the extent required in connection with such exercise or enforcement, (f) subject to an agreement containing provisions substantially the same as those of this Section 11.12, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Borrower and its obligations, (iii) any actual or prospective investor in an SPC or (iv) any rating agency for the purpose of obtaining a credit rating applicable to any Loan Party, (g) with the prior written consent of Borrower or (h) to the extent such Information (i) is publicly available at the time of disclosure or becomes publicly available other than as a result of a breach of this Section 11.12 or (ii) becomes available to the Administrative Agent, the Issuing Bank, the Guarantee Bank or any Lender on a non-confidential basis from a source other than Borrower or any Subsidiary of Borrower; *provided, however*, that with respect to clauses (b) and (c) above, if the Administrative Agent, the Issuing Bank, the Guarantee Bank or any Lender receives a subpoena, interrogatory or other request (verbal or otherwise) for any Information (other than with regard to filings made with the SEC); or believes that it is legally required to disclose any of the Information to a third party, it shall, in advance of such disclosure, to the extent practicable and legally permissible, promptly provide to Borrower notice of any such request or requirement so that Borrower or the applicable Loan Party (or Subsidiary thereof) may seek a protective order or other remedy; *provided, further*, that it shall (1) exercise commercially reasonable efforts to preserve the confidentiality of such Information, (2) to the extent legally permissible, use commercially reasonable efforts to provide Borrower, in advance of such disclosure, with copies of any Information it intends to disclose (and, if applicable, the text of the disclosure language itself), and (3) reasonably cooperate with Borrower and the applicable Loan Party (or Subsidiary thereof) to the extent either of them may seek to limit such disclosure. In addition, the Agents, the Issuing Bank, the Guarantee Bank and the Lenders may disclose the existence of the Loan Documents and information about the Loan Documents to market data collectors, similar service providers to the financing community, and service providers to the Agents, the Issuing Bank, the Guarantee Bank and the Lenders. For the purposes of this Section 11.12, "**Information**" shall mean all information received from Borrower relating to it or any of its Subsidiaries or its business, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis prior to disclosure by Borrower.

**Section 11.13 Interest Rate Limitation.** Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Revolving Loan, together with all fees, charges and other amounts which are treated as interest on such Revolving Loan under applicable law (collectively, the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") which may be contracted for, charged, taken, received or reserved by the Lender holding such Revolving Loan in accordance with

applicable Legal Requirements, the rate of interest payable in respect of such Revolving Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Revolving Loan but were not payable as a result of the operation of this Section 11.13 shall be cumulated and the interest and Charges payable to such Lender in respect of other Revolving Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

**Section 11.14 Assignment and Acceptance.** Each Lender to become a party to this Agreement (other than the Administrative Agent and any other Lender that is a signatory hereto) shall do so by delivering to the Administrative Agent an Assignment and Acceptance duly executed by such Lender, Borrower (if Borrower consent to such assignment is required hereunder) and the Administrative Agent.

**Section 11.15 Obligations Absolute.** To the fullest extent permitted by applicable law, all obligations of the Loan Parties hereunder shall be absolute and unconditional irrespective of:

- (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Loan Party;
- (b) any lack of validity or enforceability of any Loan Document or any other agreement or instrument relating thereto against any Loan Party;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Document or any other agreement or instrument relating thereto;
- (d) any exchange, release or non-perfection or loss of priority of any Liens on any or all of the Collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;
- (e) any exercise or non-exercise, or any waiver of any right, remedy, power or privilege under or in respect hereof or any Loan Document; or
- (f) any other circumstances which might otherwise constitute a defense (other than the indefeasible payment in full in cash of the Obligations) available to, or a discharge of, the Loan Parties.

**Section 11.16 Waiver of Defenses.** Each of the Loan Parties hereby waives any and all suretyship defenses available to it as a Guarantor arising out of the joint and several nature of its respective duties and obligations hereunder (including any defense contained in Article VII).

**Section 11.17 Judgment Currency.** (a) The Loan Parties' obligations hereunder and under the other Loan Documents to make payments in U.S. Dollars (the "**Obligation Currency**") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent, the Collateral Agent, the Issuing Bank, the Guarantee Bank, or the respective Lender of the full amount of the Obligation Currency expressed to be payable to the Administrative Agent, the Collateral Agent, the Issuing Bank, the Guarantee Bank or such Lender under this Agreement or the other Loan Documents. If for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into

or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the “**Judgment Currency**”) an amount due in the Obligation Currency, the conversion shall be made, at the rate of exchange (as quoted by the Administrative Agent or if the Administrative Agent does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the Administrative Agent) determined, in each case, as of the day on which the judgment is given (such day being hereinafter referred to as the “**Judgment Currency Conversion Date**”).

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, each Loan Party jointly and severally covenants and agrees to pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount), as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate or exchange prevailing on the Judgment Currency Conversion Date.

For purposes of determining any rate of exchange for this Section, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

**Section 11.18 USA Patriot Act.** Each Lender hereby notifies each Loan Party that pursuant to the requirements of the Patriot Act (to the extent that the Patriot Act is applicable to such Lender), it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name, address and taxpayer identification number of each Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Patriot Act.

**Section 11.19 Waiver of Sovereign Immunity.** Each of the Loan Parties, in respect of itself, its Subsidiaries, its process agents, and its properties and revenues, hereby irrevocably agrees that, to the extent that such Loan Party, its Subsidiaries or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, from any legal proceedings, whether in the United States, the Cayman Islands or elsewhere, to enforce or collect upon the Revolving Loans or any Loan Document or any other liability or obligation of such Loan Party or any of its Subsidiaries related to or arising from the transactions contemplated by any of the Loan Documents, including, without limitation, immunity from service of process, immunity from jurisdiction or judgment of any court or tribunal, immunity from execution of a judgment, and immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, such Loan Party, for itself and on behalf of its Subsidiaries, hereby expressly waives, to the fullest extent permissible under applicable law, any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States, the Cayman Islands or elsewhere. Without limiting the generality of the foregoing, each Loan Party further agrees that the waivers set forth in this Section 11.19 shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

**Section 11.20 No Fiduciary Duty.** Each Agent, each Lender, the Issuing Bank, the Guarantee Bank and their respective Affiliates (collectively, solely for purposes of this paragraph, the “**Banks**”), may have economic interests that conflict with those of the Loan Parties, their equity holders and/or their respective affiliates. Each Loan Party agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Bank, on the one hand, and any Loan Party, its respective equity holders or its respective affiliates, on the other. The Loan Parties acknowledge and agree that: (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm’s-length commercial transactions

between the Banks, on the one hand, each Loan Party, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Bank has assumed an advisory or fiduciary responsibility in favor of any Loan Party, its respective equity holders or its respective affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Bank has advised, is currently advising or will advise any Loan Party, its respective equity holders or its respective Affiliates on other matters) or any other obligation to any Loan Party except the obligations expressly set forth in the Loan Documents and (y) each Bank is acting solely as principal and not as the agent or fiduciary of such Loan Party, its respective management, equity holders, creditors or any other person. Each Loan Party acknowledges and agrees that such Loan Party has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Loan Party agrees that it will not claim that any Bank has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Loan Party, in connection with such transaction or the process leading thereto.

**Section 11.21 OTHER LIENS ON COLLATERAL; TERMS OF INTERCREDITOR AGREEMENT; ETC.**

(a) EACH LENDER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT LIENS MAY BE CREATED ON THE COLLATERAL PURSUANT TO ANY SENIOR SECURED NOTES DOCUMENTS (AND MAY BE CREATED ON THE COLLATERAL PURSUANT TO THE ADDITIONAL SECOND LIEN DEBT DOCUMENTS), WHICH LIENS SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THE INTERCREDITOR AGREEMENT. THE EXPRESS TERMS OF THE INTERCREDITOR AGREEMENT SHALL PROVIDE, IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE INTERCREDITOR AGREEMENT AND ANY OF THE CREDIT DOCUMENTS, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

(b) EACH LENDER AUTHORIZES AND INSTRUCTS THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT TO ENTER INTO THE INTERCREDITOR AGREEMENT ON BEHALF OF THE LENDERS, AND TO TAKE ALL ACTIONS (AND EXECUTE ALL DOCUMENTS) REQUIRED (OR DEEMED ADVISABLE) BY IT IN ACCORDANCE WITH THE TERMS OF THE INTERCREDITOR AGREEMENT.

(c) THE PROVISIONS OF THIS SECTION 11.21 ARE NOT INTENDED TO SUMMARIZE ALL RELEVANT PROVISIONS OF THE INTERCREDITOR AGREEMENT, ~~THE FORM OF WHICH IS ATTACHED AS AN EXHIBIT TO THIS AGREEMENT~~. REFERENCE MUST BE MADE TO THE INTERCREDITOR AGREEMENT ITSELF TO UNDERSTAND ALL TERMS AND CONDITIONS THEREOF. EACH LENDER IS RESPONSIBLE FOR MAKING ITS OWN ANALYSIS AND REVIEW OF THE INTERCREDITOR AGREEMENT AND THE TERMS AND PROVISIONS THEREOF, AND NEITHER THE ADMINISTRATIVE AGENT NOR ANY OF ITS AFFILIATES MAKES ANY REPRESENTATION TO ANY LENDER AS TO THE SUFFICIENCY OR ADVISABILITY OF THE PROVISIONS CONTAINED IN THE INTERCREDITOR AGREEMENT.

(d) NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT PURSUANT TO THE COLLATERAL DOCUMENTS AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT THEREUNDER ARE SUBJECT TO THE PROVISIONS OF THAT CERTAIN INTERCREDITOR AGREEMENT, DATED AS OF NOVEMBER 30, 2012, BY AND



BETWEEN: (I) WILMINGTON TRUST, NATIONAL ASSOCIATION, AS NOTES COLLATERAL AGENT (AND ITS SUCCESSORS AND ASSIGNS), FOR THE BENEFIT OF THE SECURED PARTIES (AS DEFINED THEREIN) AND (II) RBC EUROPE LIMITED (AS SUCCESSOR TO JEFFERIES FINANCE LLC) AND RBC EUROPE LIMITED'S SUCCESSORS AND ASSIGNS), FOR THE BENEFIT OF THE HOLDERS FROM TIME TO TIME OF THE CREDIT FACILITY CLAIMS (AS DEFINED THEREIN) (AS MAY BE AMENDED, RESTATED, MODIFIED OR SUPPLEMENTED OR REPLACED, FROM TIME TO TIME IN ACCORDANCE THEREWITH, THE "INTERCREDITOR AGREEMENT"). IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE INTERCREDITOR AGREEMENT AND THIS AGREEMENT WITH RESPECT TO LIEN PRIORITY OR RIGHTS AND REMEDIES IN CONNECTION WITH THE COLLATERAL (AS DEFINED IN THE INTERCREDITOR AGREEMENT), THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN.

**11.22 ACKNOWLEDGEMENT AND CONSENT TO BAIL-IN OF EEA FINANCIAL INSTITUTIONS.** Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such liability;
  - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it; or
  - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

(Signature Pages Follow)



Annex B  
Fifth Amendment to Credit Agreement

Form of Borrowing Request

[Attached]

[Form of]

**BORROWING REQUEST**

RBC Europe Limited  
as Administrative Agent for  
the Lenders referred to below  
100 Bishopsgate, London  
United Kingdom, EC42N 4AA  
Attention: Manager Loans Agency  
Facsimile: +44 (0) 20 7029 7914

Re: Shelf Drilling Holdings, Ltd. [Date]

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of February 24, 2014 (as amended, amended and restated, supplemented, waived or otherwise modified from time to time, the “**Credit Agreement**”), among Shelf Drilling Holdings, Ltd., a Cayman Islands company (“**Borrower**”), the Subsidiary Guarantors, the Lenders from time to time party thereto, RBC Europe Limited, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”) and as collateral agent for the Secured Parties (in such capacity, the “**Collateral Agent**”), as Issuing Bank and as a Guarantee Bank, and DNB Bank ASA, as a Guarantee Bank. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement. Borrower hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that it requests a Revolving Borrowing under the Credit Agreement, and that in connection therewith sets forth below the terms on which such Revolving Borrowing is requested to be made:

- (A) Principal amount of Revolving Borrowing:<sup>1</sup> \_\_\_\_\_
- (B) Date of Borrowing  
(which is a Business Day): \_\_\_\_\_
- (C) Type of Borrowing: [ABR Borrowing] [Eurodollar Borrowing]

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<sup>1</sup> See Section 2.02(a) of the Credit Agreement for minimum borrowing amounts.

(D) Interest Period and the last day thereof:<sup>2</sup> \_\_\_\_\_

(E) Funds are requested to be disbursed  
to Borrower's account with: \_\_\_\_\_  
Account No. \_\_\_\_\_

Borrower hereby represents and warrants that the conditions to lending specified in Sections 4.02(b), (c) and (d) of the Credit Agreement are satisfied as of the date hereof. Attached hereto in reasonable detail are the calculations required to demonstrate pro forma compliance with Section 6.20 of the Credit Agreement. [Attached hereto in reasonable detail are the calculations required for Section 4.02(d) of the Credit Agreement.]<sup>3</sup>

*[Signature Page Follows]*

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<sup>2</sup> To be inserted if a Eurodollar Borrowing, and to be subject to the definition of "Interest Period" in the Credit Agreement.

<sup>3</sup> To be inserted if, to satisfy Section 4.02(d), Borrower and its Restricted Subsidiaries plan to use the proceeds of the requested Credit Extension and/or other Unrestricted cash and Cash Equivalents within 30 days after the date of such Credit Extension for a permitted purpose other than an investment in Cash Equivalents.

SHELF DRILLING HOLDINGS, LTD.

By: \_\_\_\_\_  
Name:  
Title:

ATTACHMENT 1  
TO  
BORROWING REQUEST

**[Calculation of Total Net Leverage Ratio (Borrower) and Total Net Leverage Ratio (Ultimate Parent) on a Pro Forma Basis]<sup>4</sup>**

**[Calculation of Senior Secured Leverage Ratio and Consolidated Coverage Ratio]<sup>5</sup>**

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<sup>4</sup> Calculation of Total Net Leverage Ratios to be included to the extent necessary to show *pro forma* compliance with Section 6.20.

<sup>5</sup> Calculation of Senior Secured Leverage Ratio and Consolidated Coverage Ratio to be included to the extent necessary to show *pro forma* compliance with Section 6.20.

[ATTACHMENT 2  
TO  
BORROWING REQUEST  
**Calculation of Excess Cash**  
[To be added]]<sup>6</sup>

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<sup>6</sup> To be included if, to satisfy Section 4.02(d), Borrower and its Restricted Subsidiaries plan to use the proceeds of the requested Credit Extension and/or other Unrestricted cash and Cash Equivalents within 30 days after the date of such Credit Extension for a permitted purpose other than an investment in Cash Equivalents.



Annex C  
Fifth Amendment to Credit Agreement

Form of Compliance Certificate

[Attached]

[Form of]  
**COMPLIANCE CERTIFICATE**

This compliance certificate (this “**Certificate**”) is delivered to you pursuant to Section 5.01(b) of the Credit Agreement, dated as of February 24, 2014 (as amended, amended and restated, supplemented, waived or otherwise modified from time to time, the “**Credit Agreement**”), among Shelf Drilling Holdings, Ltd., a Cayman Islands company (“**Borrower**”), the Subsidiary Guarantors, the Lenders from time to time party thereto, RBC Europe Limited, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”) and as collateral agent for the Secured Parties (in such capacity, the “**Collateral Agent**”), the Issuing Bank and Guarantee Banks party thereto from time to time and HSBC Bank plc and RBC Capital Markets<sup>7</sup>, as joint lead arrangers and joint book runners. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

1. I am the duly elected, qualified and acting [insert title of applicable chief financial officer, principal accounting officer or treasurer] of Borrower.
2. I have reviewed and am familiar with the contents of this Certificate.
3. No Default has occurred during the accounting period covered by the financial statements attached hereto as Attachment 1 (the “**Financial Statements**”) and no Default exists as of the date of this Certificate[, except as set forth on Attachment 2].
4. Attached hereto as Attachment [2][3] are the computations (in reasonable detail) showing calculation of “Available Amount” as of the last day of the accounting period covered by the Financial Statements.
5. Attached hereto as Attachment [3][4] are the computations (in reasonable detail) showing calculation of “Cumulative CNI Amount” as of the last day of the accounting period covered by the Financial Statements.
6. Attached hereto as Attachment [4][5] are the computations (in reasonable detail) showing calculation of “Net Equity Proceeds Amount” as of the last day of the accounting period covered by the Financial Statements.
7. There have been no changes to the identities of the Rigs, Excluded Rigs, Immaterial Subsidiaries and/or Unrestricted Subsidiaries since the Third Amendment Effective Date or, if later, since the date of the most recent Compliance Certificate delivered pursuant to Section 5.01(b) of the Credit Agreement[, except as described on Attachment [5][6]].

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<sup>7</sup> RBC Capital Markets is the global brand name for the corporate and investment banking business of Royal Bank of Canada and its affiliates.

8. As of the last date of the accounting period covered by the Financial Statements, the Companies were in compliance with Sections 6.01(e), 6.01(h), 6.01(k), 6.01(n) (in respect of clause (iii) of the proviso thereof), 6.01(r), 6.01(s), 6.02(w), 6.04(e)(ii), 6.04(q), 6.04(r), 6.04(v), 6.06(b), 6.06(k), 6.08(b), 6.08(c) and 6.08(p) of the Credit Agreement.

9. Attached hereto as Attachment [6][7] are calculations in reasonable detail showing each Total Net Leverage Ratio[, the Senior Secured Leverage Ratio and the Consolidated Coverage Ratio]<sup>8</sup> as of the last date of the accounting period covered in the Financial Statements.

10. Attached hereto as Attachment [7][8] is the Collateral Rig Market Value of each of the Designated Collateral Rigs appraised by Approved Brokers as of [\_\_\_\_], 20[\_\_\_\_]. The total of such Collateral Rig Market Values as at such date equaled or exceeded one hundred forty percent (140%) of the aggregate amount of all Revolving Commitments.

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<sup>8</sup> Calculation of Senior Secured Leverage Ratio and Consolidated Coverage Ratio to be included for accounting periods that end during the period described in Section 6.20(b), but no later than June 30, 2021.

IN WITNESS WHEREOF, I execute this Certificate this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

SHELF DRILLING HOLDINGS, LTD.

By:\_\_\_\_\_

Name:

Title:

ATTACHMENT 1  
TO  
COMPLIANCE CERTIFICATE

**Financial Statements**

The information described herein is as of [\_\_\_\_\_], and pertains to [the fiscal  
[quarter] [year] ended [\_\_\_\_\_]].

ATTACHMENT [2]  
TO  
COMPLIANCE CERTIFICATE

**[Defaults]**



ATTACHMENT [2][3]

TO

COMPLIANCE CERTIFICATE

**Calculation of “Available Amount”**

ATTACHMENT [3][4]  
TO  
COMPLIANCE CERTIFICATE

**Calculation of “Cumulative CNI Amount”**

ATTACHMENT [4][5]  
TO  
COMPLIANCE CERTIFICATE

**Calculation of “Net Equity Proceeds Amount”**

ATTACHMENT [5][6]  
TO  
COMPLIANCE CERTIFICATE

**[Rigs]**

**[Excluded Rigs]**

**[Immaterial Subsidiaries]**

**[Unrestricted Subsidiaries]**

ATTACHMENT [6][7]

TO

COMPLIANCE CERTIFICATE

**Calculation of each Total Net Leverage Ratio**

**[Calculation of Senior Secured Leverage Ratio and Consolidated Coverage Ratio]<sup>9</sup>**

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<sup>9</sup> Calculation of Senior Secured Leverage Ratio and Consolidated Coverage Ratio to be included for accounting periods that end during the period described in Section 6.20(b), but no later than June 30, 2021.

ATTACHMENT [7][8]

TO

COMPLIANCE CERTIFICATE

**Market Value of Collateral Rigs**